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# FINANCIAL TIMES

No. 27,084

Tuesday September 28 1976

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## NEWS SUMMARY

**IRA**  
**Soviet fishing skipper accused**  
A Soviet fishing skipper is accused of shooting a British fisherman in the Irish Sea. The skipper, who was on board a fishing vessel, was accused of firing a shot which wounded the British fisherman. The case is being investigated by the British authorities.

**IRA hangs three men in public**  
Three men were hanged in public by the IRA in a prison in Belfast. The men were accused of being involved in the IRA's activities. The execution was a public display of the IRA's power.

**IRA reasserts right to Rock**  
The IRA reasserted its claim to the Rock of Gibraltar. The IRA claimed that the Rock was part of its territory and that it had the right to control it. The British authorities rejected the claim.

**IRA guards music director accused**  
A music director was accused of being involved in the IRA's activities. The director was accused of providing the IRA with financial support. The IRA denied the accusation.

**IRA form blacks at TV sets**  
IRA members were seen at television sets in a large area. The IRA claimed that they were watching the television to monitor the news. The British authorities denied the claim.

**IRA torture claim**  
A claim was made that IRA members were torturing prisoners. The claim was made by a prisoner who was held in a prison. The IRA denied the claim.

**IRA face law blow**  
The IRA faced a legal blow as the courts ruled against them. The courts ruled that the IRA was an illegal organization. The IRA appealed the ruling.

**IRA briefly**  
The IRA was briefly mentioned in the news. The IRA was accused of being involved in a recent attack. The IRA denied the accusation.

**IRA Old Bailey judge fined**  
A judge at the Old Bailey was fined for being drunk and out of control. The judge was fined for his behavior during a recent trial. The judge appealed the fine.

**IRA Chief price changes yesterday**  
The IRA's chief price changes were announced yesterday. The IRA's prices for its products were increased. The IRA claimed that the increase was necessary.

**IRA RISES**  
The IRA's prices for its products rose. The IRA's prices for its products were increased. The IRA claimed that the increase was necessary.

## Labour conference challenge

# Left gains surprise victory in vote on public spending

By Richard Evans in Blackpool

Against the advice of the national executive, the Labour Party conference last night passed a resolution highly critical of one of the key elements in the Government's economic strategy—the proposed cuts in public expenditure.

The decision, taken on a show of hands, means that the way is open for Left-wingers on the executive to mount a sustained campaign against the cuts and to give support to local councils and trade unions which oppose their implementation.

Left-wingers were elated by the surprise victory, which might not have happened had a card vote been taken. Ministers were furious that the day was marred by such an unnecessary and potentially dangerous defeat.

The resolution was moved by Mr. Alan Fisher, general secretary of the National Union of Public Employees, who gave a warning that unless conference agreed to oppose public spending cuts resulting in disaffection of the Labour Party at the next election.

If the confusion leads to anti-Government action within the executive, it will confirm the Prime Minister in his view that the executive is becoming increasingly unhelpful on policies Mr. Callaghan believes have the support of the overwhelming majority of Labour voters.

The Prime Minister is believed to be moving towards a position of by-passing the executive and instead favouring even closer contacts with the TUC in the development of Government policy.

The rest of the day must have been considered satisfactory by the Government with substantial support at times reluctant, sup-

## CBI and TUC seek joint policy on import curbs

By Roy Hodson

A COMMON policy on import controls that can be put to the Government as the unified view of British industry is being sought by the Confederation of British Industry and the Trades Union Congress.

The urgency being attached to the project by both sides can be gauged from the time-table of progress so far.

The whole question of the need to protect British industry from cheap foreign manufacture became a talking point when leaders of the CBI and the TUC met last week for one of their routine dinners. It was decided then to explore what common ground existed.

By the week-end, the TUC economic department and the CBI overseas trade directorate had exchanged working papers setting out the basic positions of the two organisations regarding import controls.

An analysis is now being carried out with both sides hoping that it will prove possible for British industry to make a joint representation to the Government in the form of a memorandum.

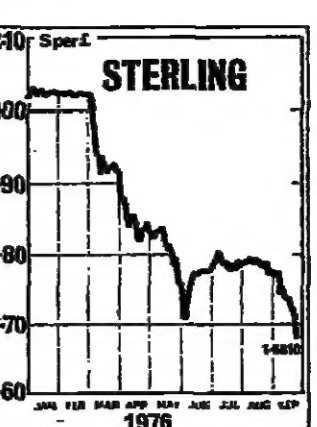
Great urgency is being attached to this planned intervention in Government policy-making. "If we can manage to do it, it will be within days not weeks," a CBI official said last night.

## Slater 'in debt for nearly £1m.'

By Keith Lewis, City Staff

MR. JIM SLATER, founder and former chairman of Slater Walker Securities, admitted last night that he was personally in debt to the tune of almost £1m.

Giving his first interview since he resigned from Slater Walker in October, 1975, Mr. Slater, whose management of the group came in for severe criticism in a recently-published report prepared by City accountants, said he was in a "very bad position" and was "in a very bad position" and was "in a very bad position".



## Sterling falls to new low

By Michael Blanden

THE POUND slumped by another 2.5 pence in London yesterday to reach new record lows against the dollar and other currencies.

In the continued absence of any support from the Bank of England, sterling dropped through the psychological \$1.70 level to end in London close to its lowest point at \$1.6810.

December 1971 levels widened to a record 43.6 per cent, after reaching 43.7 per cent, at noon, against a closing average of 42.7 per cent, on Friday.

In New York, the pound closed at \$1.6705. In spite of week-end assurances by Mr. Denis Healey, Chancellor of the Exchequer, the market in London remained extremely nervous with continued commercial and speculative selling and no demand for the pound.

Dealers quoted a variety of reasons for the uncertainty, including worries over the future of the social contract and U.K. inflation in the wake of the seamen's settlement and the unsettling impact of the Labour Party Conference.

The continued weakness of sterling hit the gilt-edged market, where further rises had been expected after last week's strong demand.

The new long-dated stock which was oversubscribed at Friday's issue ended at a 1 point premium over its issue price of 106.5 per cent. But the authorities did not announce another issue, which the market had expected if conditions were favourable.

Since the Bank stopped support, the pound has fallen to new lows. The pound has fallen to new lows. The pound has fallen to new lows.

£ in New York

	Sept. 27	Previous
Spot	\$1.6810-15	\$1.6705-10
1 month	\$1.6710-15	\$1.6605-10
3 months	\$1.6610-15	\$1.6505-10
6 months	\$1.6510-15	\$1.6405-10

## U.S. denial on Rhodesia peace plan

By Jurek Martin, U.S. Editor WASHINGTON, Sept. 27.

THE U.S. State Department forcefully argued today that the five "front-line" African Presidents had not rejected at their Lusaka meeting the proposed Rhodesian settlement. But, under questioning, Mr. William Rogers, Under-Secretary for Economic Affairs, said Mr. Ian Smith, the Rhodesian Prime Minister, did not give an accurate representation of the proposed agreement when he addressed the Rhodesian people last Friday.

Mr. Rogers, who was a member of the negotiating team of Dr. Henry Kissinger, Secretary of State, called a news conference today in response to reports which suggested that a settlement was in jeopardy. He said the African Presidents of Zambia, Tanzania, Botswana, Mozambique and Angola had accepted the essence of the basic sequence of events of the negotiations to prepare the way for majority rule in Rhodesia.

Mr. Rogers added that the U.S. had heard from one of the five Presidents during the past 24 hours that the proposed settlement had not been rejected and that the African leaders "were pleased we did not reject the Lusaka statement."

## Questions

However, Mr. Rogers was not able to say with any confidence that Mr. Smith was prepared to attend a constitutional conference on the future of the country. Under intense questioning he said that Mr. Smith's broadcast on Friday was not an accurate representation of the agreement itself but rather an expression of the white Rhodesian negotiating position.

Mr. Smith had read out "the actual terms of the proposals put to me by Dr. Kissinger," he implied that these had been accepted by the major African leaders concerned, as a result of their consultations with Dr. Kissinger.

Mr. Smith's statement had said that the constitutional conference would be held in Rhodesia. The State Department view, however, is that the site of the constitutional conference has to be determined, and so has the precise composition of the transitional government.

Quentin Peel adds: Leaders of the two principal factions of Rhodesia's divided African nationalists met today in the Zambian capital of Lusaka in talks apparently aimed at forming a united front.

The meeting included Mr. Robert Mugabe, secretary-general of the Zimbabwe African National Union, considered the nationalist politician with most influence over guerrilla forces, and representatives of Mr. Joshua Nkomo's Zimbabwe African People's Union.

Mr. Smith said in Salisbury today that it was up to Britain and the U.S. to sort out African objections to the proposals for a two-year transfer in majority rule which he announced on Friday.

"It looks as though the Communists are calling the tune in these parts," he said. He added that he did not think the venue of a constitutional conference was important.

In Bulawayo today, Mr. Nkomo reaffirmed that the settlement proposals contained "serious flaws" which would make the proposed interim government unworkable. But he added that he was satisfied with Mr. Smith's declared acceptance of majority rule.

Mr. Ted Rowlands, Minister responsible for African affairs, left London a day early today to attend independence celebrations in Botswana, clearly hoping to have talks with the African leaders also in Gaborone.

where Britain could convene a meeting of Rhodesian whites and blacks, aimed not only at establishing an interim government, but also at defining its structure and functions. The other key question—which could be resolved if the nationalistic talks in Lusaka are successful—is who the participants should be.

Mr. Rowlands is being accompanied on his trip by Sir Anthony Duff, Under-Secretary for African Affairs at the Foreign Office.

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Lombard

# What Comecon has to offer

BY DAVID LASCELLES

ACCORDING to the Moscow Narodny Bank, only 9 per cent. of world trade is between communists and non-communists. And this proportion has scarcely changed in 15 years, despite those giant lorry deals and Soviet grain imports. Perhaps this is as it should be. Few communist economies look dynamic to the West. They use non-convertible currencies, and the bureaucratic obstacles are formidable.

Rightly or not, most of the news on East-West trade these days is bad. There are complaints about East European dumping cars, suits, shoes, alarm clocks, light bulbs and shipping rates. The communists' growing hard currency debt is worrying western bankers. And East-West trade is always vulnerable to political pressures; the Jackson amendment curbing U.S. trade with the Soviet bloc is still in force.

So it is not surprising that some of those long engaged in East-West trade feel somewhat jaded. As for those who have never dealt with East European trade, it has tended to reinforce their belief that Comecon is a market that should be given a miss. But are they right? In my experience, those who turn their backs on East Europe do so out of sheer ignorance.

They look on East Europe as a strange place where statistics mean nothing, where customs they do not comprehend. I am not necessarily arguing that businessmen will miss golden opportunities unless they catch the next plane to Warsaw. But it is obviously wrong that ignorance or lack of interest, or both, should cause them to miss out on potential markets. A few bald facts, I think, might help.

## By contrast

The seven European members of Comecon account for 8 per cent. of the world population. According to the World Bank, they are responsible for 13 per cent. of the world's total production. By their own estimate, their share of world industrial output is one third. And UN figures show they account for its some 10 per cent. of world trade, including their trade among themselves.

By contrast, OECD countries account for 57 per cent. of world production and 63 per cent. of the world trade. Given that all the Comecon countries rate as industrialised, these figures show a clear imbalance between the size of their production and the amount of trade they do with the outside world.

This can partly be explained by their quest for strong economic and political independence. But they would be the first to agree that they should trade more with the West. They want to import western equipment and technology, and find new markets for their growing industrial production. The reason they do not, they say, is the fault of the West: its disinterest, its political scruples, and its failure to buy more Comecon goods to balance exchanges.

So the communists clearly have the will and the need to expand trade with the West. In fact, relatively they are already ahead of the West. The EEC countries (which have roughly the same population as Comecon) account for 25 per cent. of Comecon's foreign trade. But Comecon accounts for only 5 per cent. of the EEC's foreign trade.

But what are the prospects? The new 1976-80 Five Year Plans, which are widely viewed in the West as realistic, show that Comecon is planning overall growth of 5.6 per cent. a year. Industrial growth is projected to be 6.7 per cent. a year, a high figure given that growth in centrally planned economies is steadier than in the West.

## Differently

The growth in investment is expected to be 7.5 per cent. a year, more in some countries, less in others. By converting investment figures at the most realistic exchange rates planned annual spending for the whole grouping comes out at the equivalent of \$250bn.

Past experience shows that between 8 and 10 per cent. of Comecon investment is spent in the West. So it is possible to say as a rough guide that Comecon plans to import some \$30bn. to \$35bn. worth of western goods a year. For comparison, it imported \$3bn. worth in 1970 and \$25bn. worth in 1975, (which was exceptional because of Soviet grain purchases and bunched deliveries).

True, there are problems. Comecon is going through a difficult patch because of its some 10 per cent. of world recession. And as the Moscow Narodny figures showed, its hard currency deficit is widening (through its repayment record remains first class). But the fact that they do things differently over there should not be allowed to obscure what these investment plans mean in terms of business opportunities, nor the amount of trade they do with the outside world.

RACING

BY DOMINIC WIGAN

## Claironcita set simple task at Nottingham today

FULKE Johnson Houghton has done an extremely skillful job in the placing of his Don Carlos, Claironcita, and he appears to have found another relatively simple task for her at Nottingham today.

The Blenheim three-year-old bids for her fifth consecutive victory in the 11-mile Benbow Stakes (4.30), which is confined to three- and four-year-olds who before August 25 have not won a race.

Claironcita, who opened her account with an eight-length Windsor success three days after that date, has since not been hard-pressed to follow up on the same course, and at Goodwood and Lingfield. In her most recent race, the Upham Stakes over today's trip at Lingfield, Claironcita found no difficulty in disposing of Doubly Hopeful to whom she was giving 5 lb, with the remainder well strung out.

That was a praiseworthy effort.

This bay filly by Ribero out of Pride of India, a half-sister to that high-class stayer of a few years ago, Raise You Ten, put up her best performance since early summer when outpointing some poor opponents in an amateur riders' event at Leicester last week. Although today's opposition is probably tougher, I think she will again prove up to her task.

While Willie Carson is trying to put up the winners at Nottingham in an endeavour to regain the jockeys' championship he lost in 1974, Pat Eddery will be in action at Goodwood. The Seven Barrows stable jockey could well score on Just Revenge in the Simonsdon Handicap (4.0), but the riding-humours will probably fall to the stayer, for whom both Six in the Moon (2.30) and Ground Work (3.0) should oblige.

● The Total guarantees a gross minimum pool of £3,000 at Goodwood today.

GOODWOOD

2.00 Kilavea

2.30 Man in the Moon

3.00 Ground Work

3.30 Keelhaul

4.00 Just Revenge

4.30 Good Fellow

NOTTINGHAM

3.00 Mrs. Wainley

4.00 Ribb Pride

4.30 Claironcita

5.00 SEDGFIELD

3.45 Kilavea

4.15 Seorton Bay

Willie Carson, who rides Claironcita, could also be on the mark half an hour earlier, when partnering her stablemate, Lord Leverhulme's Ribb Pride, in the Welbeck Handicap (4.0).

SALEROOM

BY ANTONY THORNCROFT

## Victorian pictures in demand

CHRISTIE'S began the 1976-77 saleroom season at its King Street rooms with a routine, not to say boring, auction of Oriental ceramics. Demand was quite good apart from the prize item, a Canton famille rose part dinner service, where the bidding stopped just short of the £3,500 lower estimate.

A pair of Kang Hsi famille verte rectangular balustrade vases almost doubled their forecast, at £780, while a London dealer, A. and F. Gordon, paid £650 for a pair of 18th century blue and white seated figures of Lohan. All told, the auction made £26,223.

Phillips held its best auction of 19th century pictures for at least a year, with overseas buyers especially prominent. The sale totalled £30,330, with only 3 per cent. unsold, a good result for a picture auction. Victorian paintings in the £1,000-£3,000 range were in good demand.

Ericson, a private collector, paid £4,000 for a painting by William Huggins of Bengal tigers in a jungle, while T. J. gave £3,200 for a view of Dutch fishing boats by Edward William Cooke. A picture by George Jones of Rowlands for £2,300.

At Sotheby's, a successful ikon sale totalled £72,535. A German dealer, Retmann, paid £2,800 for



One of the best pictures by the 19th-century French artist Jean François Millet comes up for auction at Sotheby Parkes Bernet in New York on October 15. Entitled 'Un Paysan Greffant an Arbre', it was a highlight of the recent exhibition of Millet's work at the Hayward Gallery, London. The painting, representing man's attempt to cut away the old and wait on the new, is likely to fetch near or above the Millet auction record of \$80,000.

An early Russian ikon, c. 1600, for £2,050 and three more ikons, from the Northern School, one from the Palekh School and depicting St. Leon the Stylite, two produced around c. 1600, all sold for £1,500 each.

FILM AND VIDEO

BY JOHN CHITTEND

## A marriage is being arranged

Last week was a busy time for those in the moving picture business. The International Broadcasting Convention in London explored the latest in technical developments. ITV celebrated its 21st anniversary. BBC celebrated 40 years of television (although regular programmes did not start until November 1936), sponsored film producers from all corners of the world gathered in London, and the VIDEOM and Video 76 week, where all aspects of video were scrutinised, started in Cannes. This week, London is also the venue for the 17th International Industrial Film Festival, organised by the Council of European Industrial Federations.

Although this convergence of activity is mostly coincidental, it demonstrates the trend for film and television to move closer together, with greater interchange of both technology and application. On the purely technical level, film systems are frequently integrating with television, while the TV camera itself is striving to perform more and more like a film camera. With films now often being distributed by electronic means—via broadcast television itself, CCTV videocassettes and even by large screen TV projection—it now seems only a matter of time before the marriage will take place.

One of the most important developments, a great topic for discussion at the International Broadcasting Convention last week, is the cryptically-named ENG technique. This is the acronym for Electronic News Gathering, which is the broadcasters' attempt to replace the film camera with the TV camera for location work.

Colour television cameras of broadcasting standard are large, expensive and heavy—when used outside the studio they require elaborate services to relay the electronic pictures back to the central transmitter. ENG embraces the design of small and portable TV cameras—light enough to be hand-held—and a range of equally portable relay equip-

ment which removes dependence on the close proximity of a mobile broadcasting van.

Very small microwave equipment has now been developed that can be set up close to the area of a TV cameraman's operations—relaying the pictures as far as four miles to a point where more substantial relays can book the signals into a main transmitter. Thus TV cameramen can now operate with hand-held cameras in streets, at public meetings and other crowded locations, where once a pantechion of equipment and technicians had to be carefully installed beforehand.

Until recently, the broadcast cameras almost exclusively in such situations, particularly for news coverage when speed of planning and maximum mobility are vital. But film is an expensive material, it takes time to process and edit, and when ready for TV transmission it still requires electronic processing to make its image characteristic suitable for television.

## Taken apart

In an ideal world, broadcast cameras would never use film. It is rather like using methane gas to drive a petrol engine. The photo-chemical nature of the film process means that once it is exposed and developed, there is not a great deal that can be done to change the image quality. But a TV image can be almost literally taken apart, passed through a computer, emerge better for the experience. The remarkable Mars pictures were processed in this way, improving definition and cleaning up "noise" (the video equivalent of photographic fogging).

For all the lingering advantages that film can offer, improvements in television recording for quality on a large screen, and when used outside the studio they require elaborate services to relay the electronic pictures back to the central transmitter. ENG embraces the design of small and portable TV cameras—light enough to be hand-held—and a range of equally portable relay equip-

ments which removes dependence on the close proximity of a mobile broadcasting van. Very small microwave equipment has now been developed that can be set up close to the area of a TV cameraman's operations—relaying the pictures as far as four miles to a point where more substantial relays can book the signals into a main transmitter. Thus TV cameramen can now operate with hand-held cameras in streets, at public meetings and other crowded locations, where once a pantechion of equipment and technicians had to be carefully installed beforehand.

transferring the tape on to conventional 16 mm. or 35 mm. film.

The use of television in the film production industry has various advantages. On the one hand, it allows the director to see the results of his shooting in a studio, where expensive resources are used in a way that can be played back instantly with the usual overnight wait for "rushes". This offers the director an instant check on his creative results and can release some expensive facilities, performers and technicians a day earlier.

It is also possible to make television images as lively without loss of quality as film, although the effects may be attainable only at a substantial cost. On the other hand, the use of television in the film production industry has various advantages. On the one hand, it allows the director to see the results of his shooting in a studio, where expensive resources are used in a way that can be played back instantly with the usual overnight wait for "rushes". This offers the director an instant check on his creative results and can release some expensive facilities, performers and technicians a day earlier.

However, television is transferred to film, projected in a conventional cinema do not match up to high quality of pictures originally shot on film. For subjects, the differences are a little to matter; but for the production of another masterpiece like *Death of Venice* or *Lawrence of Arabia*, the differences assure a continuing place for the camera.

Those whose livelihood depends on the survival of film cameras, however, cannot afford to be complacent about the situation. The emergence of ENG is already affecting the demand for raw film stock, maybe will soon depress it to the point where replacement cameras when the present ones wear out.

It will probably be a very long time before television recording can match 35 mm film for quality on a large screen, and when used outside the studio they require elaborate services to relay the electronic pictures back to the central transmitter. ENG embraces the design of small and portable TV cameras—light enough to be hand-held—and a range of equally portable relay equip-

## TV/Radio

†Indicates programme in black and white

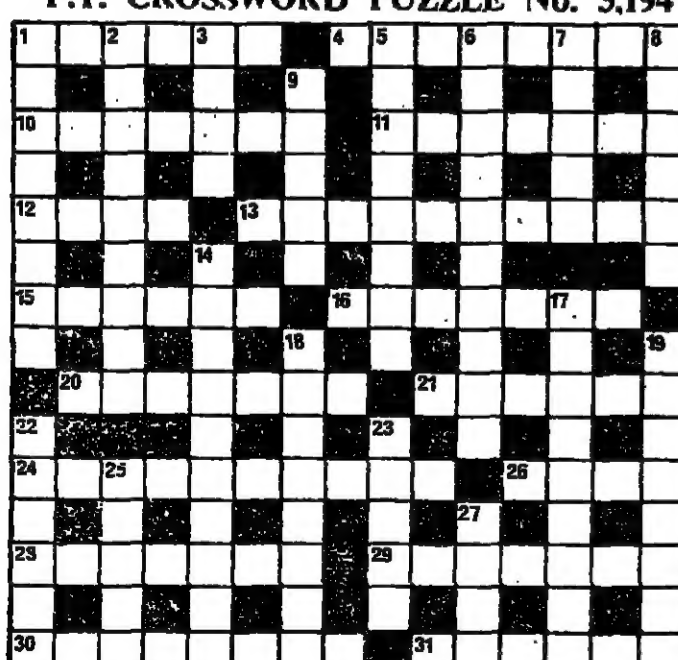
### BBC 1

7.05-7.55 a.m. Open University (UHF only). 9.30 For Schools. 10.15-10.45 a.m. News. 1.00 Pebble Mill. 1.45 Andy Pandy. 2.00 You and Me. 2.30 For Schools. 3.00-3.30 Regional News (except London). 3.55 Play School. 4.30 Huckleberry Hound. 4.45 Jackanory. 4.40 Animal Magic. 5.00 John Craven's Newsround. 5.10 The

Great Grape Ape. 5.30 Bailey's Comets. 5.55 Noah and Nelly in Skivvies.

5.40 News. 5.55 Natunwide. 6.45 "Challenge to Lassie". 8.00 The Dick Emery Show. 8.30 Mastermind. 9.00 News. 9.25 Play for Today. 10.35 To-Night. 11.15 The Sky at Night. 11.30-11.45 Regional News. All Regions as BBC-1 except at the following times:

### F.T. CROSSWORD PUZZLE No. 3,194



### ACROSS

- What the reckless motorist does to reduce evil (4, 2)
- Perfection in the business about one (3, 5)
- We find the Constellation is tedious (7)
- Permanent as tea in grass (7)
- Concert at the seaside (4)
- Hearty supper on the search makes a proper demand (3, 7)
- Put back an insolvent sailor (6)
- Acts with dash though not dressed for the part (7)
- Small case of agreement (7)
- Exerts influence with old Boh in a London suburb (4, 2)
- They form a team seen in posthumous (10)
- The dweller here needed advice on family planning (4)
- Sussex fellow turns from Pole to Pole to find the dangle (7)
- To wise men a negative line of defence (7)
- The bachelor finishes with divers diseases (3, 5)
- Stopped facilities in the diplomatic corps (6)

### DOWN

- Cape wren indiscriminately in India (8)
- Afternoon tête-à-tête from a musical number (3, 3, 3)
- One gets a repeal for a bird (4)
- Gaiety—the term includes it (5)

### Consequently a sound get up

- for Liberate (2, 8)
- Banishment for one Liberal in the river (3)
- The ambassador has to follow up in the shelter (6)
- Always on the go in a prison (5)
- "So thick a—bath quenched their orbs" (Milton) (4, 6)
- A salute to employees to express allegiance (4, 5)
- So let her think opinions are— (Verdi) (8)
- Even dirt can be turned upside down (3)
- The Isle suits the earl to a T (6)
- Opposition from the Yemen (5)
- The rascal sees gravity in a dissolute person (5)
- The monster therefore gets up (4)

### Solution to Puzzle No. 3,193

BESTIDE STUPOR  
EIT ERI  
GOLFCLUB ASSIGN  
C A E B T M G  
AUGUSTLY STRESS  
R E S C O M O V I  
A B A L E  
DISCOURAGE  
H S A S T P P  
EGOTIST ETHERAL  
R R S R A R I  
ESTERN MARCHING  
N E V T U S H  
TUDIED SNAPSHOT

WALES—5.45 p.m. Wales Today. 6.45 Heddys. 7.10 Campus. 7.35-8.00 To-morrow's World. 11.50 News and Weather for Wales.

SCOTLAND—5.55-6.45 p.m. Reporting Scotland. 11.50 News and Weather for Scotland.

### NORTHERN IRELAND

5.55-6.45 p.m. Northern Ireland News. 11.50 News and Weather for Northern Ireland.

### ENGLAND

5.45-6.45 p.m. Look North (from Leeds, Manchester, Newcastle). Midlands: Today (from Birmingham). Look East (from Norwich). Points West (from Bristol). South Today (from Southampton). South West Today (from Plymouth).

### BBC 2

6.40-7.55 a.m. Open University. 9.30 Labour Party Conference. 11.00 Play School. 11.55 Labour Party Conference. 5.00 p.m. Open University. 7.05 Play for Today. 7.30 Newsday. 7.55 Floodlit Rugby League. 8.00 The Goggles. 8.25 The Water Margin. 10.10 Summer of '76. 11.00 Late News on 2. 11.10 The Old Grey Whistle Test.

### LONDON

9.30 a.m. For Schools. 10.41 Labour Party Conference. 11.05 For Schools. 12.30 Kings Theatre. 1.11. 12.10 p.m. Rainbow. 12.30 What Craft? 1.00 News plus weather. 1.20 Lunchtime News. 1.30 News. 2.00 Labour Party Conference. 2.50 Looks Familiar. 3.50 Ennemaide Farm. 4.20 The Arrows. 4.45 Masque. 5.15 Out of Town.

### RADIO 1

5.30 Scorching broadcast. 6.00 a.m. As Radio 7. 7.00 News. 7.10-7.20 News. 7.20-7.30 News. 7.30-7.40 News. 7.40-7.50 News. 7.50-8.00 News. 8.00-8.10 News. 8.10-8.20 News. 8.20-8.30 News. 8.30-8.40 News. 8.40-8.50 News. 8.50-9.00 News. 9.00-9.10 News. 9.10-9.20 News. 9.20-9.30 News. 9.30-9.40 News. 9.40-9.50 News. 9.50-10.00 News. 10.00-10.10 News. 10.10-10.20 News. 10.20-10.30 News. 10.30-10.40 News. 10.40-10.50 News. 10.50-11.00 News. 11.00-11.10 News. 11.10-11.20 News. 11.20-11.30 News. 11.30-11.40 News. 11.40-11.50 News. 11.50-12.00 News. 12.00-12.10 News. 12.10-12.20 News. 12.20-12.30 News. 12.30-12.40 News. 12.40-12.50 News. 12.50-1.00 News. 1.00-1.10 News. 1.10-1.20 News. 1.20-1.30 News. 1.30-1.40 News. 1.40-1.50 News. 1.50-2.00 News. 2.00-2.10 News. 2.10-2.20 News. 2.20-2.30 News. 2.30-2.40 News. 2.40-2.50 News. 2.50-3.00 News. 3.00-3.10 News. 3.10-3.20 News. 3.20-3.30 News. 3.30-3.40 News. 3.40-3.50 News. 3.50-4.00 News. 4.00-4.10 News. 4.10-4.20 News. 4.20-4.30 News. 4.30-4.40 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## Die Wupper

by RONALD HOLLOWAY

rediscovery of the short stories, plays, lyrics, and graphic art as a whole. This is a purgatorial exorcism, a longing for the safety and comforts of childhood as age requires new decisions to be made—in short, a feeling from reality. It is a memory play about a provincial industrial city, about the sensitivity of youth and the years of crisis, about growing up (something like Eugene O'Neill's *Ah, Wilderness!*) in the house of a rich merchant in Elberfeld on the Wupper, a suburb of Wuppertal, in the 1880's.

The Wupper is a dyed river of industrial waste, one of the many symbols that dominate the play from start to finish, and director Luc Bondy assembles his actors around a rusty puddle on a large stage set below eye-level of the audience. Across this tarnished landscape wander old and young, workers and tramps, and the three Sonntag children, the main characters who pursue dreams and illusions in the household of a factory owner. The milieu is defined in detail in a series of immense sets that take the participant from the factory area to the garden of the industrialist's home to its spacious interior and after a momentous Umbau at the pause to a fairground with carousel and back again to the factory area.

The tie for realism has hardly ever been so religiously observed, nor so fully embraced by a set designer. Karl-Ernst Herrmann's hanging tree, covering half the stage's space in the second act, will be long remembered in the annals of modern German stagecraft.

Among all these good intentions, the play was lost. The Schaubühne Ensemble paraded tried and worn figures from past plays without determining a focal line-of-approach that would make them convincing. The use of actors all the same age (save for one or two conspicuous exceptions) to play adolescents or old-timers is as embarrassing as it is distracting. I squirmed when I first saw Mary Pickford (approaching 50) in *Follies*.

rabeth Hall

## Michelangelo Suite

with reference to the original Italian (Shostakovich apparently set a translation at two removes—Russian via German), by Sarah White and Eric Walter White. It reads so well that one can't help hoping that it could somehow be made to fit to the notes. The impression made by the Shostakovich songs carried over into Schostakovich. It wasn't a real good programme building—a distinguished performance with noble, sensitive but occasionally fussy tones singing and admirably piano playing (in *Abelard*, "Der Atlas" and "The Statue" especially) slipped by because one needed something much more different in mood and style. At least the coupling proved that in the portrayal of infinite sadness Shostakovich is the peer of Schubert.

RONALD CRICHTON

New York theatre

## The future lies ahead

by GEORGE OPPENHEIMER

One of ex-President Nixon's more accurate remarks was, "The future lies ahead of us." With this in mind, I herewith tender a report of what lies ahead of us in the coming season of 1977. As usual, or at least for the past few seasons, revivals predominate. Two Shaw plays, *The Philanderer* and *Heartbreak House*; the return of *Oh, Calcutta!* (is this too scary?) the dramatization of Henry James' *The Innocents*; O'Casey's *The Plough and the Stars* (brought to us by the Abbey Players); Tennessee Williams' *The Night of the Iguana*; Anna Christie by Eugene O'Neill with Liv Ullmann in the title role; Chekhov's *The Cherry Orchard* with Irene Worth as Madame Ranevskaya; and a number of others including a return engagement for *Fiddler on the Roof* and *Jesus Christ, Superstar*.

The British contributions are not as lavish as usual. They are *No Man's Land* by Harold Pinter; *John Gielgud* and *Ralph Richardson* repeating their roles; *The Farm* by David Storey; *Comedians* by Trevor Griffiths; *Otherwise Engaged* by Simon Stephens; *Best Before Yesterday* by Ben Travers; *Dirty Linen* and *Now-Found Land* by Tom Stoppard, and undoubtedly others to be announced.

The most heralded and looked-forward-to event of the season is a Texas trilogy of Preston Jones, consisting of *The Last Meeting*, *Magnum*, *La Hampton Lovers*, *Overlander* and *The Oldest Living Graduate*. They are independent themes, all laid in the same Texas town, and will be given in 11 performances a week. Out-of-town reports last Preston Jones as one of the most important new playwrights to be discovered in many years.

Other dramas are *I Have a Dream*, a potpourri of songs, and text based on the writings of the late Civil Rights leader, Martin Luther King, Jr.; *Joanna and Home Boy*, two separate plays by Black English; *Wheelbarrow Closers* by Louis La Russo II, who wrote last season's *Lampost Remission*; *A Trip Back Down* by John Bishop and two thrillers, *Four Murders* by Richard Lortz adapted from Lucy Freeman's book of the same name. There are also rumours that Tennessee Williams' long-postponed play, *The Red Devil Battery Sign*, will finally reach New York after extensive rewrites.

The comedies promised for the season are *Best Friend* by Michael Sawyer; *Winter Chicks* by Jennifer Warren; *Somewhere in the Night* by Henry Denker; *Sly Fox*, a modern adaptation of Ben Jonson's *Volpone* by Larry Gelbart with George C. Scott; *Checking Out* by Allen Swift, which has been getting good reports from out-of-town; *Win With Wheeler*, a political comedy by Lee Kalchauer; *Rehearsal*, a comedy about a playwright's problems by Jack Gelber; *Success*, a two-character comedy about the marriage of actors, and various others.

The musicals are not as many as usual (probably because of the high cost). Outstanding is *Hellschtoppin*, a new edition of the old Olsen and Johnson madcap revue, refurbished with Jerry Lewis in the lead; *The Robber Bridegroom*, an enchanting entertainment which had a brief stay in John Houseman's Acting Company repertoire last season; *The Baker's Wife*, an adaptation of a play by Marcel Pagnol which has been travelling about the country for the past few months; *Muscle Is...* one more musical version of *Twelfth Night*, devised and directed by George Abbott; *Look Homeward, Angel*, Thomas Wolfe's novel

Morley Gallery

## Norwegian romantic landscapes

by WILLIAM PACKER



Gerhard Munthe: 'From Elverum'

The odd corners of art history are always worth investigation, even if nothing much turns up in them, which happily seems to be a chance less likely to occur than we might suppose. For fashion, never the most conscientious though the most insistent of housekeepers, will sweep most things out of sight, giving the opportunity, and re-arrange the dust over them from time to time, as likely to consign the very best of things to oblivion as not. The jewels are inclined to remain in this happy state the shorter time, or so we like to think, catching the light and soon picked up. But there is still so much stuff left behind in the darkness, in the old portfolio and dim gallery, somewhat less valuable perhaps, but worth another look for all that: the scholar so disposed may make the field his own.

The things nearest to hand are not always the first to be noticed, nor most easily retrieved; and where there is much else so well-established to command attention, as is indeed the case in this country, and in France too, worthy work may too easily be discounted as trivial, and scuffed aside. Even to-day, an interest in the academic and salon painting of the 19th century, so dear to bourgeois taste, and which is possessed of many excellent if modest qualities, feels hard to justify save as a mildly perverse critical indulgence, a special dispensation from fashion again, who makes the smart of her prejudice felt long after she has changed her mind.

### The Entertainment Guide is on Page 30

and Indian painting, all have been shown to us lately and deservedly; but we must ever take care not to go too far with our discoveries, and make exaggerated claims for minor work.

The exhibition now at the Morley Gallery, of Norwegian Landscape painting of the 19th century, is just such a show, its somewhat unimpressive title (sounding so improbable and yet so dull) entirely belied by the actual contents. The paintings are a pleasure to see, well-made, straightforward, the artists evidently educated in the wider fields of western European art. We have no need to patronise any of them, to make allowances or special pleas, though few are known to us, only one truly an international name.

But charm and solid worth do not lead inevitably to the making of masterpieces; after all,

we have yet to see our own Edwardian Academy elevated to the status of the National School. We must look at these things, and enjoy them, for what they are. And the point is made for us by the inclusion of two works by Edward Munch. With him, it would have been the play without the Prince, with him, even when he is represented only by two good but modest pieces, the rest must defer to him. It is a nice piece, to give the rest a fair chance.

Together they take us quietly through the full gamut of nineteenth century European painting, from the distinguished early Romanticism of Johan Christian Dahl, who was so learned without surprise, the friend of Casper David Friedrich, to the touch repeatedly upon the various influences of Paris, whether it is the Barbizon School with Frits Thaulow and Gerhard Munthe, or late impressionism with Nikolai As. The impression given off by the work is a pleasure to see, well-made, straightforward, the artists evidently educated in the wider fields of western European art. We have no need to patronise any of them, to make allowances or special pleas, though few are known to us, only one truly an international name.

None of the paintings is large, most are rather small; they are well chosen and well hung, and make an intriguing and excellent exhibition. The Morley Gallery is to be congratulated on its initiative, and the Norwegian Government thanked for the generous help that made the idea of the show a reality. These Norwegian landscapes remain at the Morley Gallery, at 61 Westminster Bridge Road (not so far away as one might think) until October 29, before moving on to Newcastle, and then to Liverpool for Christmas.

Theatre Upstairs

## Light Shining in Buckinghamshire

"Howl, howl, ye nobles, howl ye rich men for the miseries that are coming upon you!" Not Tony Benn in 1976, but Abiezer Coppe in 1648. These were the days of freakish sects that grew up when Cromwell's soldiers, tempted into the Army on the pretext that they were the Saints who were to expedite the second coming of Christ, found that life under the Lord Protector was not very different from life under King Charles I.

Caryl Churchill's play is not narrative but documentary. It opens, after an anthem to Biblical words, with a profoundly moving prayer. What is so moving about it is the speaker's pathetic faith in his absurdities that guide his thinking. He truly believes that Cromwell's victory will lead at once to a New Jerusalem where all men are equal and Christ will appear in the flesh.

We are given glimpses of the world as it exists around him—the woman whipped out of the parish for beating the parson who insists that the duty of the poor is to submit to their suffering, the current variety, Saxon v. Norman, of racial discrimination. I did not find myself so convinced about this last item, which I suppose Miss Churchill has put in to emphasise the similarities between that time and our own.

The didactic nature of Cromwell's Government provides another parallel, no doubt; and, as now, the contemporary orthodox movements—the

Levellers, the Diggers, the Ranters. It is the Ranters who occupy Miss Churchill's principal attention, a company of extreme beliefs—what, for example, there is no sin but what a man thinks up when Cromwell's soldiers, tempted into the Army on the pretext that they were the Saints who were to expedite the second coming of Christ, found that life under the Lord Protector was not very different from life under King Charles I.

The play proceeds in a series of short expository scenes written with great humanity and, as always with the Joint Stock group, faultlessly played throughout. Much use is made of contemporary documents—Cromwell's debates at Putney parish church, an official Government sermon, Digger and Leveller manifestos. Though I have to confess that I began to find the going slow towards the end, the general tenor of the evening is of fascinating interest.

If it is meant to demonstrate the parallels between that time and our own, we may draw some alarming conclusions. I remarked earlier on the paths of the people's simple but solid belief in the religious fables used to lure them into the Parliamentary cause. If you put Marx for God, you have a roughly similar situation today. The excellent, simple production is directed by Max Stafford Clark; and the six players who sustain all the characters are superbly reliable. Linda Newberry, Robert Hamilton, Will Knight, Colin McCormack and Nigel Terry—an uncommonly good team.

S. A. YOUNG

St. Andrew's Undershaft, EC3

## Cat-Walk

This beautiful city church in St. Mary Axe, just off Leadenhall Street, is housing a season of plays presented by Upstairs, a theatre group of Christian persuasion that defines its work in terms of "youth outreach" and "two-way communication." The church was badly damaged by fire late last year, but has been superbly re-built and a large square acting area raised in the middle of the nave. The audience sits on four sides, the lights are hung from four elegantly sturdy columns.

Murray Watts's play is closely based on Genod's *Shaman's Notes From The Red House*, a short account of the author's period of internment in the Kashchenko Psychiatric Hospital on a trumped-up charge of illegally spreading religious propaganda. Shamanov is an orthodox Christian from a non-religious family, and his confinement, ordered by the KGB, has no stronger authority to justify than a suspicion of someone else. In the chief role, Alfredo Michelson gives an intense and attractive performance between Shamanov and the head psychiatrist on the whole production's lack of past-relevance merits of Marxism and Religion.

MICHAEL COVENEY

## Don't bearings ever change?

A bearing that you buy from us today can look very much like the one we made in 1907.

It could well seem that nothing much has happened since.

Actually, everything has happened. Today's bearings carry heavier loads, run faster, last longer and are more reliable.

Few people realise how much advanced technology has gone into these deceptively simple components. Or what efforts are being made to bring them even closer to technical perfection.

SKF's major part in those efforts is somewhat different to that of other manufacturers.

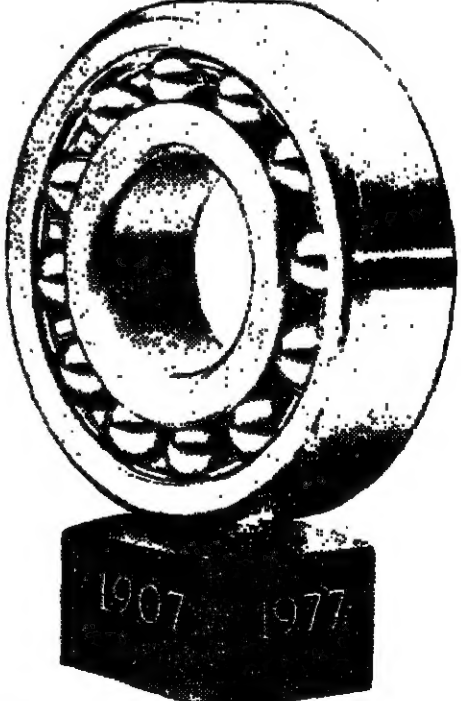
First, our policy of investment in product and production-oriented research and development has made SKF the leader in the world bearing market.

Which has also meant that most types of ball and roller bearings were either invented or significantly improved by our engineers. And we developed much of the basic bearing theory that is now accepted as the international standard.

Secondly, our research activities extend to other SKF specialist areas which are vital to our engineering quality standard. And which add to our knowledge in bearing technology. Special steel and machine tools are just two examples.

Our research projects are firmly directed towards clearly defined goals. But those directing them are leading technical people from different countries, who also integrate short-term research at their local facilities.

Five European SKF companies jointly own and operate the world's largest bearing research centre, in the Netherlands. Long-term studies are carried on here, and major projects are co-ordinated, by scientists from many countries working together to extend man's knowledge of anti-friction.



What about results?

We are systematically making bearing designs better and better. And we are integrating bearing design with total machine design. A good example of this is the bearing hub unit that will make the next generation of cars lighter, safer and simpler to manufacture.

We are using our know-how in mass-precision engineering to develop products other than bearings. Such products now account for about 30 per cent of our business.

And we are developing new, automated manufacturing techniques that make us more competitive and improve overall quality still more. Such automation will soon be supplying two-thirds of our bearing output in Europe.

Bearings do change, and they are changing more now than ever before.

SKF Group Headquarters, Göteborg, Sweden. In the U.K.: SKF, Luton, Beds.

# SKF

Which international company is big in construction and rich in resources?

ANSWER PAGE 9.

### English 'Popea' at Wooburn Festival

The high point of this year's music festival at Wooburn, near Beaconsfield, will be the stage performances on Wednesday, Thursday, Friday and Saturday this week of Monteverdi's *The Coronation of Poppea* in a new English translation by Arthur Jacobs. The edition performed will be that prepared by the American musicologist Alan Curtis, and baroque instruments will be used in the orchestra. The conductor is Richard Hickox.



## EUROPEAN NEWS

## Kohl challenges Schmidt over Hesse allegations

BY ADRIAN DICKS

BONN, Sept. 27.

WITH only six days to go before the Bundestag election on Sunday, the Christian Democratic Party leader, Herr Helmut Kohl, today challenged Chancellor Helmut Schmidt and his Social Democratic Party chairman, Herr Willy Brandt, to state formally their position on the tangled political situation in Hesse.

Although its national importance remains hard to judge, there seems little doubt that the catalogue of mismanagement and alleged corruption in the Hesse state SPD government will severely weaken Herr Schmidt's support there, if not sweep it away. And in the view of some political experts in Bonn, loss of such support in a state that has traditionally been a SPD bastion could possibly cost the coalition government the election.

According to Press reports in the past few days, the long-time Hesse state Premier, Herr Albert Osswald, is almost certain to be ousted by his colleagues as soon as the federal elections are out of the way. He is widely held responsible for the mismanagement of the affairs of the Hesse state Landesbank, which has had to write off over \$2.2bn. (£550m.) during the past three years, as well as for several

cases of corruption and questionable political expenditures. In addition, the SPD government in Hesse—which has held power continuously since the Federal Republic was established—has angered many voters with its mismanagement of the state's educational reforms.

In state elections two years ago, Hesse gave the local SPD-FDP coalition 50.6 per cent, and the CDU 47.3 per cent—or roughly what the polls now predict for next Sunday. If SPD stalwarts in the state are sufficiently disheartened to give the CDU a majority of their votes in the federal election, the result could conceivably determine the composition of the new Bundestag.

An increased CDU representation from the state would, in any case, reflect to the credit of the Hesse leader of the party, Herr Alfred Dreger, an arch-conservative who is due to become Interior Minister in Herr Kohl's cabinet if the CDU wins. The SPD's campaign material depicts him and Herr Franz-Josef Strauss as the two men who would push Herr Kohl, once in office, steadily to the right.

Latest polls show the rival parties still running virtually neck and neck. The four leading polls' latest findings are that

Herr Kohl's party can expect between 48 and 49 per cent of the vote and the coalition government between 50 and 51 per cent.

The West German government has at last managed to conclude an agreement with the U.S. for the transfer of documents relating to allegations of bribery in West Germany by Lockheed. According to the terms of the agreement, which has presented unexpected legal difficulties on the American side, the voluminous material estimated at some 30,000-plus pages—may be used for any official West German need laid down by this country's basic law.

The scrutiny of the Lockheed documents by a team of officials familiar with the case is expected, however, to take several weeks, and there is virtually no chance that anything now handed over by the Americans could substantially affect the outcome of the election.

In an interview with a Sunday newspaper yesterday, Herr Franz-Josef Strauss once again attacked Chancellor Schmidt for failing to secure the Lockheed files earlier. He predicted that some of the revelations covering Herr Schmidt's own years as Defence Minister would be "disagreeable" for him.

## Widespread political strike by Basques

By Roger Matthews

MADRID, September 27.

A GENERAL STRIKE gripped the Basque provinces of Spain today for the second time in a fortnight, with more than 350,000 workers estimated to have answered the call for a one-day stoppage in support of a political amnesty, and in memory of the five young men executed by firing squad a year ago.

Riot police clashed repeatedly with demonstrators who used cars to form barricades. In several areas, the police used tear gas and rubber bullets to disperse groups chanting "Police murderers!" and "Freedom for the Basque people!"

Local sources in the province of Guipuzcoa admitted that at least 95 per cent of the working population was on strike, with schools, banks, offices and shops involved in the total closure of industry. Factories managing this morning, the province of Vizcaya, where Bilbao is the main city, followed a similar pattern, with the port also at a standstill. Navarre province was also seriously affected, especially the industrial belt around Pamplona, and stone quarries were reported from Vitoria and other parts of Alava. Labour sources claimed that this was the most effective shut-down of the Basque provinces since the death of General Franco last November.

It was a direct challenge to the authority of the Government, said one opposition leader, and emphasised the solidarity of the Basque people in achieving political freedoms and the right to autonomy.

Another serious situation was reported from the Canary Islands, where tourists were warned to keep off the streets in Santa Cruz, the capital of Tenerife. Virtually the whole town was closed, with barricades thrown up in working-class districts.

This followed three days of incidents between riot police and demonstrators protesting at the police shooting of a man mistakenly thought to be the kidnapper of a local industrialist. Large forces of police and paramilitary Guardia Civil were standing by in other Spanish cities, where demonstrators plan to mark the first anniversary of the executions.

Meanwhile, a spokesman for the director general of the Post Office said this morning that the strike by postmen was now national. The authorities today stressed their willingness to negotiate.

## Portugal starts handing back illegal land

By Paul Eilman

LISBON, Sept. 27.

THE Portuguese Government today took a first step towards handing back illegally occupied farmland, but was reported to have encountered refusals to leave by workers in some areas.

Although a Cabinet statement last week said that the first evictions would start today, no dispossession had managed to return to his land.

The evictions affect 101 illegally occupied farms covering some 40,000 acres in the southern Alentejo region. Government officials reportedly refused to comment on progress being made in persuading workers to give up farms peacefully.

Local officials in the Beja district, however, said some workers had adopted a "rigid" attitude when asked to leave.

## Gibraltar

## A referendum on the future

BY JOSEPH GARCIA, GIBRALTAR CORRESPONDENT

GIBRALTAR'S 16,000 voters go to the polls to-morrow in the most crucial general election in the colony's history. London and particularly Madrid will be watching the event with special interest, for the Rock's future relations with Britain and Spain have become the central issue in the campaign, and the election has been transformed almost into a form of referendum.

As many as 25 candidates—the highest number ever—are standing for election to the 15-seat House of Assembly, about half of them for the first time. Two political parties, one 30 years old and the other 30 days, and some independent candidates with divergent viewpoints provide a complex scenario where political thought can be summarised as follows: the Gibraltar Labour Party which expresses complete faith in the British Government and has no fear of a British sell-out of the Rock to Spain; those who, like the newly formed Gibraltar Democratic Movement, want immediate talks with Britain to find out what way Gibraltar is to be decolonised by Britain considering that London has denied the Gibraltarians independence, free association and integration; and three independent candidates who are urging a deal with Spain for the first time in a Gibraltar election but who seem to disagree among themselves on the precise nature of the desired settlement.

Never before has the electorate been plunged into such a state of bewilderment and utter confusion. It all began with a strong British refusal to accept Gibraltar proposals which would have strengthened economic and political ties with this tiny Mediterranean outpost, in effect what Britain categorically stated at the abortive constitutional talks in London during the summer was that integration was unacceptable, and this had had the net effect of disintegrating the integration with Britain Party, which was formed about a decade ago at the height of the Spanish restrictions on the Rock. The party was synonymous with the "No Concessions to Spain" stance, and their departure from active politics has the wider implication of a complete loss of momentum.

It is Sir Joshua's party which is at this election telling people that it is by voting Labour that they will remain British. "I have every faith in the British Government," says Sir Joshua. The British denial of the Gibraltar referendum has changed nothing, he adds, and the British pledges to defend Gibraltar politically and to support it economically have been reiterated. "The last 12 years have proved that the British Government really means what it says in protecting us from coming under Spanish sovereignty against our wishes," he says.

But what about the next 12 years? There are signs that the Foreign Office would welcome a settlement with Spain. Mr. Maurice Xiberras, who has resigned as party leader, believes that integration has become an obstacle in the designs of the Foreign Office for a more flexible British policy which would not offend Anglo-Spanish dispute over language and which included the elements have not however com-

pletely disappeared from the political scene and both Xiberras and former integrationist Chief Minister Major Bob Peliza are fighting the election as independent candidates.

In recent years the nature of Gibraltar politics has been such that the impression was wrongly generated that those who did not belong to the integration party were not a pro-British as they were. At the last general election, Labour Party

to avoid innovations which might make a more favourable Spanish attitude to Gibraltar less likely. Spain's shift towards decentralisation and her possible entry into Nato and the EEC would bring new elements into the situation which could substantially alter present concepts and entrenched positions.

The political backcloth permeating Gibraltar to-day has given rise to the position of a Gibraltar Representative Organ-

three candidates are stand for election on a protection with Spain. But, but, but, from an economic/commercial arrangement to a political solution the implementation of which could be left in a state until Spain enters the Common Market or, as barrister Triay puts it, until January 2000. Whatever votes Triay the others get will be interpreted as an indication of Gibraltar's thinking in favour of a settlement. Triay refuses to be drawn into the delicate question of sovereignty, saying that it is old concept, and argues that able guarantees could be for a safeguarded Gibraltar. Triay, citing British, Spain's United Nations as a precedent, is now being urged by the Labour Party's policy "The Right to our Land," a concept of nationhood, tempered with much moderation and pragmatism, is now being urged by other candidates in varying degrees of emphasis and detail. One of the candidates actually describing himself as "independent nationalist."

But the 1973 vote of Triay, which was 1,000 votes, and the Rock is based on a first refusal in Britain to decide to abandon her responsibilities, and thus treaty as it stands to-day, the Gibraltarians the prospect of acquiring independence.

There are several options facing the Gibraltarians: 1—To remain linked to Britain as overwhelmingly decided in 1967 referendum with Britain responsible mainly for defence, foreign affairs and internal security, and Gibraltar minister for defined domestic matters. 2—To accept a transfer of sovereignty to Spain as formally proposed by Madrid with special status for Gibraltar. 3—To seek full internal autonomy, guaranteed by a new Anglo-Spanish treaty which would give rise to a form of condominium.

Where political thinking coincides is on the point that next few years are going to be crucial ones for Gibraltar and 29,000 inhabitants. Sir Joshua, 61, had seriously thought of retiring after 30 years at the helm but decided to stand for election again possibly for the last time because of the changes taking place in Spain which could present a new, challenging situation to the Gibraltarians. Important decisions are to be taken, he says, he wants to create a new status for Gibraltar which will secure the future of the territory and the people. Meanwhile, for the first time, election.

## ITALIAN ECONOMIC PROPOSALS

## Communist vote is crucial

BY DOMINICK J. COYLE

ROME, Sept. 27.

THE ITALIAN cabinet is expected to approve a number of new economic measures at a meeting here to-morrow, but Sig. Giulio Andreotti's Christian Democrat (CD) Government does not have a Parliamentary majority to give effect to the proposals.

Parliament itself resumes this week, and it is evident that the attitude of the Communist Party (PCI) will be crucial if Sig. Andreotti's plans for economic recovery, including proposals for industrial reconversion, are to be implemented.

The proposed measures, which are understood to include increases in taxation and steps to curtail the growth of certain imports, notably petroleum products and foodstuffs, have been under discussion virtually non-stop since the general election last June. Some outline of the proposals was given to-day by the Prime Minister when he met leaders of the three labour confederations.

A dialogue of sorts between the main parties represented in Parliament has continued throughout most of the summer, although without any formal negotiating sessions, and Sig. Andreotti must hope that the final package will sufficiently satisfy the PCI to merit at least Communist abstention in Parliament. The PCI abstained when the Andreotti administration finally won a vote of confidence last month.

However, a blanket PCI abstention on the Government's economic programme could present considerable difficulties for the Communist Party, since it is doubtful in the extreme if some aspects of the projected package will not be such as to merit outright opposition from many PCI supporters.

Yet the present political reality in Italy gives the PCI little real room in which to

manoeuvre. The Communists can certainly bring down the present government virtually at will, but another minority CD administration would not change things much. The alternative prospect of another general election would not suit PCI strategy, or indeed much favour with the electorate only three months after the last inconclusive poll.

For Sig. Andreotti there seems to be little choice but to present his long-heralded economic package to Parliament, assuming it is approved at to-morrow's

The Swiss Chemical, Textile and Paper-Workers' Union and the Italian union federations CGIL, CISL and UIL have agreed that Hoffmann-La Roche made to cover all damages caused by the accidental release of toxic chemicals at Seveso in northern Italy in July, and to guarantee the 170 jobs at the closed Icmesa plant there, reports John Wicks from Zurich.

Council of Ministers' meeting, and then sit back and await reactions, not only by the Communists but also by the CD's former partners in the centre-left coalitions. The attitude of the trade unions, too, could be crucial.

Andreotti's Government is to reduce Italy's traditional reliance on deficit-financing by increasing tax revenues and cutting back on state-sector spending, or at very least containing the rate of increase. Coupled with this general objective, the Government's senior advisers are anxious to facilitate increased investment in the private sector of industry and to make labour costs more competitive internationally, as is being demanded by the main employer organisation, Confindustria. Sig. Andreotti is believed to have proposals to encourage greater labour mobility, together

with adjustments to the existing programme of threshold payments, perhaps by eliminating them entirely (at least for a period) for wage levels over a certain annual figure. A differential payments system might apply at medium income levels, the existing system continuing for the lower paid.

The trade unions themselves might even accept such proposals, but at a price. They want the Andreotti Government to take immediate and positive steps to reduce unemployment, particularly among young people, and are also pressing for increased state-sector involvement in industry, together with additional "social investment" in new schools, hospitals and the like.

The Government's package overall is said to be based on a determination to maintain "reasonable stability" of the lira which, in fact, came under some renewed pressure last week, partly in line with other weak currencies, but also because of some fears about the effectiveness of the proposed economic measures here.

In capsule, the economic package is expected to come out under a number of main headings—export growth, steps to curtail some imports, plans to maintain competitiveness in labour costs, spending "cuts" at both state and local level and some additional recourse to foreign borrowing.

On the particular question of cutting back on petroleum imports, Sig. Carlo Donat Cattin, the Industry Minister, has indicated that he will seek approval at to-morrow's meeting to encourage reduced demand. He appears to have dropped earlier plans for a swinging increase in the price of petrol, in part because of its repercussions on the Italian motor industry. Instead, the main thrust of the "save energy" campaign may well fall on domestic users of electricity and heating fuels. Perhaps through a price differential over, and above a prescribed quota.

## French public sceptical over economic package

BY ROBERT MAUTHNER

PARIS, Sept. 27.

THE FRENCH Government has not had much success in drumming up public support for its anti-inflation package announced by Prime Minister Raymond Barre last week.

An opinion poll published by the Paris daily newspaper Le Figaro to-day shows that while most people are favourably impressed by the new Prime Minister personally they are sceptical, to say the least, about the measures themselves. Thus, 54 per cent of those questioned consider the plan's chances of success as slim, while 58 per cent believe that the Government's fight against inflation is more or less doomed to failure.

The reactions of organised labour appear to be hostile. Following the sharp criticisms of the left-wing unions which culminated in a general 24-hour strike last October 7, the General Confederation of French (CGC) union representing more than 1 million workers, has joined

the ranks of the discontented. Though not going as far as advising its members to join the strike, the CGC, which feels that it is in the front line of the tax increases decided by the Government, has announced that it will hold protest meetings and lobby members of Parliament to oppose the plan. More ominously, as far as the Government is concerned, it has made clear that its policy at forthcoming local and general elections will be influenced by the failure of the Government to take into account its members' interests.

Meanwhile, the latest cost-of-living figures show that inflation continued to run at a high rate in August. Though the price rise last month was down on that of July—0.7 compared with 1 per cent—it is generally accepted that the August figures never properly reflect the real rate of inflation because of the large number of shop and business union representatives which close during that month.

## Polish court lets price protesters off lightly

BY CHRISTOPHER BOSINSKI

WARSAW, Sept. 27.

A HIGH COURT to-day reduced sentences on seven workers involved in protests in June against proposed food price increases. The sentences of three to five years were cut to one year, suspended for three to five years.

The decision, which means that the men go free almost immediately, comes with the postponement of another trial of three Urus factory men due to start this morning, and indicates a cautious approach, apparently decided at the highest level. It seems likely that no more cases will be heard, the men now awaiting trial having been released.

Defence lawyers in the High Court argued that high charges of disrupting commerce by set up wherever necessary and the sentences were excessive, as disruption had not information on repressions, as been extensive. They also emphasised that all those convicted had still in prison from Radom an unblemished work records, and that they were not bourgeois but class-conscious workers who had of September 9.

acted in defence of the interests. A statement made public today and signed by 14 intellectuals—among them the writer Andrzej Gortalski and J. Kurat, author of last July's appeal to Enrico Berlinguer, the Italian Communist leader—announced the setting-up of a defence committee to provide legal, financial and medical aid for workers. It stated that the authorities of "physical terror" during police investigations, "for it seems likely that no more cases will be heard, the men now awaiting trial having been released."

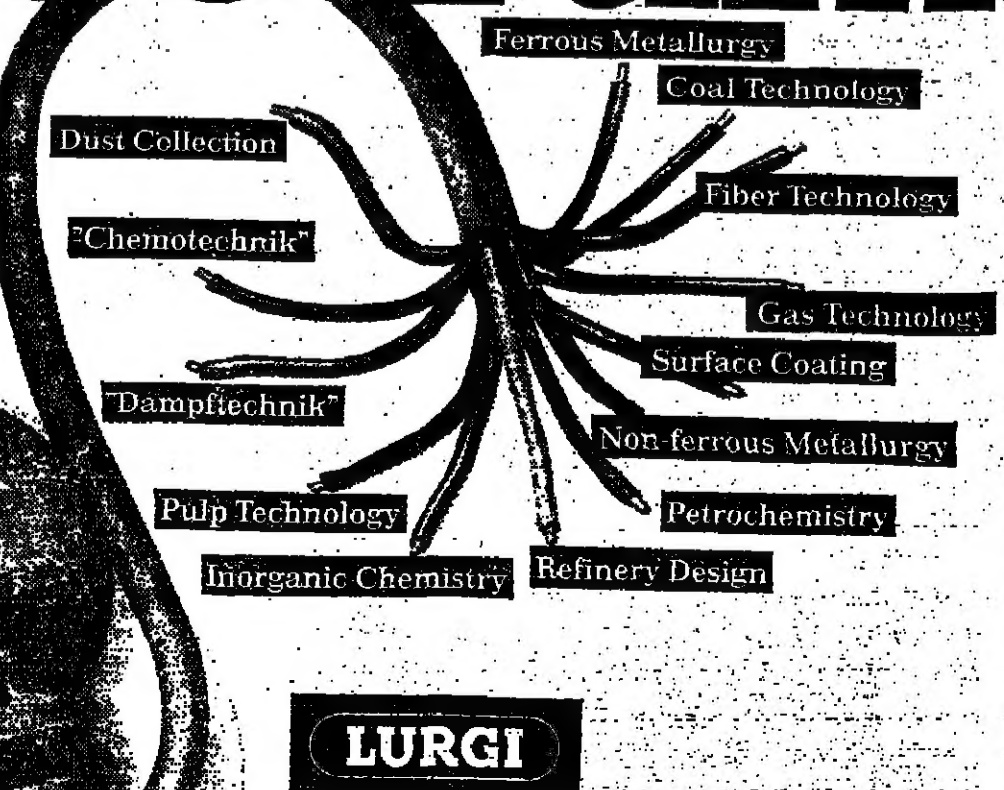
It reveals that 160,000 slots already have been selected and used to aid victims. Having called for more aid, Court argued that high charges of disrupting commerce by set up wherever necessary and the sentences were excessive, as disruption had not information on repressions, as been extensive. They also emphasised that all those convicted had still in prison from Radom an unblemished work records, and that they were not bourgeois but class-conscious workers who had of September 9.

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tribes in a township near Bulawayo sing and dance in the street shortly after it became known on Sunday that the "frontline" African Presidents had rejected part of the Kissinger plan for Rhodesia.

## S. Africa accepts UN-sponsored conference on Namibia's future

BY BRIDGET BLOOM

SALISBURY, Sept. 27

THE SOUTH AFRICAN Government has accepted the future of Namibia (South-West Africa) can be decided at a conference held in the United Nations auspices. It has not yet accepted African nationalist demand that the delegations at that conference would represent the South African Government on the one hand and Swapo, the nationalist group, on the other.

According to senior African sources, Dr. Kissinger, the U.S. Secretary of State, obtained Mr. Vorster's agreement in Pretoria week ago to a constitutional conference being held in Geneva, which would be called by the United Nations Secretary-General, Waldheim, held on United Nations premises and paid for the United Nations.

But, say the sources, Mr. Vorster is still insisting that the South African sponsored conference currently taking place in Windhoek, the Namibian capital, would be the main negotiating body, rather than Swapo and the frontline Presidents insist.

Kissinger might take part to report on his Africa shuttle diplomacy, in which Namibia was a principal issue. The U.S. delegation declined comment.

Reuter reports from Pretoria: Minister of Police and Justice, James Kruger has ordered a re-examination of security at the Prime Minister's official residence after about 150 demonstrators invaded the grounds on Friday.

Thirty-six members of the extreme Right-wing Herstigte National Party (HNP) were arrested after demonstrating against what they called the "Rhodesia sellout" by Prime Minister John Vorster. They will appear in court today on charges under the Riotous Assemblies Act.

The demonstrators included HNP leader Albert Heister, a former South African Cabinet Minister, but he was not arrested.

A leader of the South African Black Consciousness movement, Terence Tyron, secretary-general of the South African Students' Organisation, was arrested today. Police in Durban told Reuter.

## Rhodesia suspends dealings in external shares

SALISBURY, Sept. 27.

THE RESERVE Bank of Rhodesia today suspended until October 28 dealings in external shares and Rhodesian shares quoted outside the country.

In a statement issued here, the Bank said anyone wishing to buy and sell such shares could only do so with specific exchange control authority. It said the temporary suspension did not preclude Rhodesian residents from buying and selling Rhodesian stocks and shares quoted solely on the Rhodesian Stock Exchange.

"This measure has become necessary to facilitate the implementation of new administrative procedures for controlling Rhodesia's foreign security assets and ensuring their continuing benefit to the country, the statement said.

It is not the intention of the authorities to dispossess beneficial owners of their interests in any externally quoted shares by this measure, said the Bank.

Market circles in Johannesburg said the suspension would have little effect on the Johannesburg Stock Exchange. "Dealings are down to virtually nothing anyway," said one broker.

Meanwhile, the Minister of Finance, Mr. David Smith, said that Rhodesian foreign exchange controls will not be abolished as a result of the new settlement initiative.

"However, their application as heretofore, will be revised from time to time in the light of the country's balance of payments prospects."

He stressed that the Treasury and Reserve Bank would continue to ensure stable and orderly conditions in the money, credit and capital markets of the country and that close co-operation with the banks and other financial institutions would be maintained.

AP-J

reception in London given by African leaders to the U.S. British settlement initiative in Rhodesia brought in sellers of Rhodesia Bonds after the recent speculative gains. The S. Rhodesia 2 1/2 per cent, 1985-70, fell back by 55 to 530, having been 539 a week ago.

Other losses were generally of the order of 25 on the day, but the 3 1/2 per cent, 1981-86, lost £10 at 550 and the 6 per cent, 1978-1979, gave up a similar amount at 220. A week ago, they stood at £25 and £36 respectively.

It has been estimated that the interest arrears on the bonds—there have been no pay-outs in the U.K. since UDI was declared in 1965—plus the overdue redemptions total almost £70m. Six of the bonds have already passed their redemption dates.

However, Rhodesian holders of the bonds are understood to have been receiving payments, as have other holders outside the U.K. The amount owed to British investors in capital and interest arrears could therefore be only around £40m, though there are no official figures available.

Details will only come to light when the Bank of England, which acts as registrar for 11 out of the 12 quoted bonds, starts to pay out the cash, if that Rhodesian foreign exchange controls will not be abolished as a result of the new settlement initiative.

Outside the U.K., Turner and Newall, the U.K. industrial group with large interests in Rhodesia, fell 4p yesterday to 145p. But the largest setbacks were seen in the mining sector. Rhodesia Corporation fell back by 5p to 20p, Falcon lost 30p at 100p and Coronation Syndicate 13p to 50p. Falls of 6p and 15p respectively were recorded in Wankie Colliery, 45p, and MTD (Mangula), 105p.

Our Salisbury correspondent writes: Figures released today show that 1,320 whites emigrated in August resulting in a net loss of 810 whites, the highest monthly figure for more than 10 years.

Our city staff writes: The cool

## Former Fatah guerilla behind Damascus raid

BY HANAN HIJAZI

BEIRUT, Sept. 27.

A MAN known only as "Abu Nidal" who operates out of Baghdad and who was expelled from the main guerilla group, Al Fatah, is believed to have been the mastermind of the terrorist attack against the Semiramis Hotel in Damascus yesterday. Three of the survivors of the raid were hanged in public at dawn today.

The Left-wing Radio Beirut, which has connections with the commando movement, today identified "Abu Nidal" as the engineer of the Damascus raid. The radio also carried the statement issued by Fatah here last night categorically denying any involvement in the operation. The statement said Fatah will not do anything to harm the Syrian people and accused unidentified "Arab intelligence services" of responsibility.

"Abu Nidal" was expelled from Fatah in the wake of the Jordanian civil war six years ago. He established himself in Baghdad and recruited Palestinians more insistent on operating under Fatah's name.

Fatah itself exposed Abu Nidal publicly when it identified him as the man behind the attack against a Pan American airliner at Rome Airport in December, 1973. Thirty-one people inside the aircraft were killed in the machine gun and incendiary bomb attack.

The conflict between Fatah's leadership under Mr. Yasser Arafat and Abu Nidal was wide open then, Abu Nidal said in a Press interview that he intended to oust Arafat as leader of Fatah.

The fact that the Iraqi regime adopted Abu Nidal and allowed him to set up training camps in Iraq, caused sharp friction between Baghdad and Fatah. Abu Nidal was often identified with the commando "Rejection Front" which is supported by Iraq.

That the gunmen who attacked Semiramis Hotel confessed before they were executed that they had come from Iraq, placed the Semiramis incident very much within the conflict that has been raging between the Syrian and Iraqi regimes.

The Left-wing Beirut radio today expressed fears the Syrian regime may use the Damascus incident as a justification for an all-out attack against the Palestinian guerilla movement both in Lebanon and Syria.

Informal sources here expect a Syrian clamp-down on Fatah in Syria. The sources said that this could be indicated from the strong statements made yesterday by Syrian President Hafez Al Assad and other Syrian leaders.

## More heavy fighting in Lebanon

BY OUR OWN CORRESPONDENT

BEIRUT, Sept. 27.

FIELD artillery, anti-aircraft guns and tanks were used in heavy clashes over night here and on other Lebanese fronts. "It was one of the noisiest nights in several weeks," newspapers today said.

The main exchanges centred in the devastated town area, the southern suburbs, and on Beirut's frontline separating the Muslim and Christian districts. Both Right-wing and Left-wing radio stations reported artillery duels in the Aley district 13 miles east of here, and around the northern Muslim port of Tripoli.

Press reports put the number of those killed in the past 24 hours at 27.

To many observers, the continuation of the fighting on this large scale is disappointing at the beginning of the new regime of President Elias Sarkis.

Mr. Sarkis kept up his contacts today with the country's political leaders and met lengthily with Mr. Camille Chamoun, the acting premier and leader of the Right-wing group, the National Liberal Party.

Yesterday, he conferred with the Left-wing leader, Mr. Kamal Jumblatt, but a meeting with Mr. Yasser Arafat, the chairman of the Palestine Liberation Organisation, had to be postponed because of security reasons.

UPI adds from Cairo: Mr. Jumblatt said today he has presented President Sarkis with proposals for ending the civil war based on withdrawal of Syrian troops, a ceasefire guaranteed by joint Arab peace-keeping forces, negotiations between the warring factions and the formation of a "national union" Government to implement a negotiated settlement.

He spoke to journalists after conferring for more than two hours with Egyptian Foreign Minister Ismail Fahmy.

Mr. Jumblatt said the Lebanese-owned and Cyprus-registered yacht Phoenix in which he travelled from Lebanon to Cyprus had been "disturbed and harassed" by Israeli gunboats and a helicopter.

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## Japan railways seek to defer £80m. debts to private industry

BY CHARLES SMITH

TOKYO, September 27.

JAPAN'S National Railway Corporation (JNR) will become the first public corporation ever to sue to defer payments to private industry on Wednesday when it requests some hundreds of small suppliers to wait until October for payment of Yen 100bn. (about £30m.) worth of bills due to be settled by the end of this month.

The JNR's financial plight, outlined by the Tokyo Press as a case of "technical bankruptcy," appears on the surface to be due to stringency by the Finance Ministry in refusing additional funds. In reality it is the Government's financial situation in order to assist the passage

through the Diet (Parliament) of a Bill which will enable JNR to raise its fares by 50 per cent.

The detailed arithmetic of the JNR's "bankruptcy" is as follows: the corporation is due to repay to the Finance Ministry by Wednesday a sum of Yen 100bn. and has been refused permission to finance the repayment by borrowing another Yen 100bn. for repayment in October.

The JNR will instead borrow Yen 50bn. from the Government, finance another Yen 50bn. of its payment obligations from special reserves and defer payment to the value of Yen 40bn. on bills due to be paid to the private sector. The Finance Ministry says that it cannot make more money available to JNR because to do

so would be to breach the corporation's already announced loan ceiling.

Another reason given is that the funds to be lent to the JNR are from postal savings which can only be lent by the Government under strict guarantees of repayment. It seems clear, however, that technical considerations like these are overshadowed by the Government's political decision to dramatise JNR's financial crisis.

JNR is a chronic loss-maker on all but two of its numerous lines (one of these is the high-speed bullet train linking Tokyo with Osaka) and now has accumulated long-term debts to the Government worth more than its capital.

The corporation increased its fares by 23 per cent. for passengers and 24 per cent. for freight in the autumn of 1974 but the point has been reached where a much bigger rise is now needed to avoid either a total collapse of railway finances or an unacceptable increase in the size of the national budget deficit.

JNR fare rises have to be approved by Parliament and a Bill to increase fares is one of three major items of legislation before the special session of the Diet which was convened last week. JNR officials say that if the Bill is not passed the corporation may have to start deferring wage payments.

The Railway Bill, however, ranks second on the Diet's list of priorities, next to the Bill sanctioning the issue of special deficit covering bonds to cover this year's already very large budget deficit. Its chances of getting through before the current Diet session ends in the early winter are probably no more than even.

## Tokyo eases loan growth

TOKYO, Sept. 27.

THE BANK of Japan, as expected, lowered the ceiling for October-December loan growth to Japan's 18 largest commercial banks, but signalled no change in its monetary policy.

The 13 city banks, which control more than 50 per cent. of assets and deposits outstanding, are told they could increase their loan portfolios by an aggregate 1.55 trillion yen in the last quarter of 1976, down 4.3 per cent. from the aggregate increase a year earlier. Each of the 13 has an individual ceiling within the total.

In the July-September quarter, the banks were allowed a 1.7 per cent. aggregate increase in loans from a year earlier, but this was from a year earlier, and the low growth is seen as a response to poor loan demand, rather than as new monetary restraint.

Loan officers in Tokyo say they are so pessimistic about demand that only medium-size borrowers are being offered reduced interest rates as a means of boosting loan business. They explain that large corporations now have sufficient cash flow to enable them to reduce their short-term borrowing.

At the same time, the corporations have not become optimistic enough to schedule plant and equipment outlays that would fuel long-term credit demand. As of August 31, loans outstanding at the city banks totalled 50,606 trillion yen.

The bank of Japan set maximum loan growth for the long-term credit banks in October-December at 330bn. yen, down 5.2 per cent. from a year earlier, and that for trust banks at 410bn. yen, down 5.3 per cent. from a year earlier.

## Peking extends mourning

BY COLINA MACDOUGAL

PEKING has cancelled all forthcoming celebrations marking its 27th National Day on October 1, in mourning for Chairman Mao Tse-tung, who died on September 9.

Official mourning ended on September 18, when huge memorial meetings were held throughout China. The present period of suspended activity is expected to last until October 10.

The only time in recent years when the usual National Day formal was altered at the last minute was in 1971, following the alleged coup attempt and flight of Mao's then heir, Lin Biao.

No official announcement has yet been made as to Mao's last resting-place. It is presumed that this must be a matter of some debate in Peking, since official Chinese sources normally speak quite openly on this sort of subject. When Premier Chou En-lai died in January, he was cremated before the official memorial meeting in Peking, and his ashes were scattered across

China. The remains of other Chinese leaders are usually interred at the Paochow Cemetery in Peking.

The present political uncertainty in Peking shows no sign of immediate change. Central Committee members who came to the capital for the memorial service on September 18, and might have stayed for a political meeting, appear to have left. All the surviving members of the Politburo have been in the limelight since Mao's death, though this has centred on the Premier and senior party Vice-Chairman, Hua Kuo-feng, who in public is performing all the public functions of a national leader.

UPI adds from Hong Kong: A Teishan provincial committee of the Chinese Communist Party has called for a crackdown on "a tiny group of class enemies" who spread rumours, instigate strikes and engage in sabotage, looting and other violence. It was the first report of civil disorders in China since the death of Mao.

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## AMERICAN NEWS

## Ford still gaining despite campaign funds allegation

BY DAVID BELL

PRESIDENT FORD is still gaining on Mr. Jimmy Carter, according to the latest opinion poll released today, but he continues to be dogged by allegations that he may have employed campaign funds for his own personal use while still a Congressman.

Over the week-end CBS reported that the FBI has begun to investigate the President's relationship with two maritime unions which apparently gave him contributions between 1964 and 1974. Today, the celebrated Washington Post team of Carl Bernstein and Bob Woodward, in their first story for some time, "an authoritative Government source" as saying that the allegations against Mr. Ford are "serious and significant."

The Post article quotes an official of one of the unions as confirming that several thousand dollars a year were given to Mr. Ford's local Republican Party specifically at his request. Records of both the unions and the local party have now been subpoenaed by the FBI. The White House continues to refuse all comment on the issue but has been seeking to leave the impression that Mr. Ford may be trying to embarrass the President for political reasons.

But Mr. Ford is known to be an extremely careful man who has hitherto given no hint of any political bias, and Woodward and Bernstein quote one close lawyer friend of his as saying: "Knowing how careful he is, I just cannot imagine that under these circumstances he would proceed without very good reason."

The refusal of the White House to comment at all on the allegations has not been well received by the host of reporters travelling with the President. They

have become openly antagonistic to Mr. Ron Nessen, the President's Press Secretary, and there have been mutterings about Ron Ziegler—Mr. Nixon's Press Secretary who had such a difficult time during Watergate. Mr. Ford's staff dread above everything the emergence of any issue like this one which might, how-



ever obliquely, link Mr. Ford in official of one of the unions as confirming that several thousand dollars a year were given to Mr. Ford's local Republican Party specifically at his request. Records of both the unions and the local party have now been subpoenaed by the FBI. The White House continues to refuse all comment on the issue but has been seeking to leave the impression that Mr. Ford may be trying to embarrass the President for political reasons.

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## Air disaster lawsuits settled

Settlements in two-thirds of the lawsuits resulting from deaths in the world's worst air disaster have been tentatively concluded in U.S. federal court in Los Angeles, AP-DJ reports.

A total of 346 persons were killed in the crash of a DC-10-30 near Paris on March 3, 1974. Since then, nearly 900 lawsuits have been filed in more than 300 courts in 12 states, with 1,283 dependants of victims in the crash.

The suits sought damages from McDonnell Douglas Corp., General Dynamics Corporation and Turkish Airlines. McDonnell Douglas built the aircraft and General Dynamics built the fuselage and doors under a subcontract.

Attorneys for the defendant companies and the plaintiffs have reported to Judge Peirson Hall that through a series of arbitration meetings, 206 of the suits have reached settlement for an estimated \$35m.

**Columnist sues Nixon**  
Lawyer for newspaper columnist Jack Anderson yesterday filed a \$25m suit against President Richard Nixon and senior aides, accusing them of engaging in a massive conspiracy to discredit and possibly murder him. Reuter reports from Washington.

The suit alleged that the Nixon White House, using Government agencies, launched an effort to harass Mr. Anderson to prevent him from gathering information embarrassing to the Nixon administration. Those named in the suit include Dr. Henry Kissinger.

**Mexican prices up**  
A price increase of 10 per cent on a wide spectrum of consumer goods and services went into effect yesterday as part of the Mexican Government's economic adjustment to the August 31 peso devaluation. AP-DJ reports from Mexico City.

**Bribery denial**  
The Swedish telecommunications company L. M. Ericsson has taken space in Mexican newspapers to deny Press reports that it had bribed officials in the country. Reuter reports from Mexico City.

**Trawler arrested**  
The U.S. Coastguard seized a 27-foot Bulgarian fishing trawler yesterday for allegedly fishing inside the 12-mile limit south of Coos Bay on the Oregon coast. UPI reports from Seattle.

The vessel was escorted by the Coastguard cutter Venturous to Coos Bay where the case was to be turned over to the U.S. Marshall's Office.

## STOCK EXCHANGES

## Dealers in talks to form national market

BY JAY PALMER

SENIOR executives of America's largest stock exchanges and dealer networks are meeting in Chicago today in an attempt to thrash out a common policy for the creation of a national U.S. securities market.

While similar meetings have been held in the past over different issues, this is believed to be the first time that the competing exchanges have agreed to discuss the sensitive issue of a national market.

Over the past six months or so, moves by both Congressional committees and the Securities and Exchange Commission have made it clear that Washington will shortly once again move into this area. The industry for its part is eager to keep the building of a national market in its own hands.

Today's meeting, hosted by the Securities Industry Association (SIA), will be attended by representatives from the New York, American, Pacific, Midwest and PBW stock exchanges. The National Association of Securities Dealers, which polices the over-the-counter market, will also be there.

An SIA spokesman this morning confirmed that the main aim of this one-day meeting will be the immediate creation of joint-committees to study specific problems of policy, finance and actual operational difficulties. These study groups will be directed to identify specific problem areas and recommend solutions.

Over the last couple of years, some SEC-inspired progress towards the creation of a central

## Large U.S. trade deficit

By Our Own Correspondent

WASHINGTON, Sept. 27. THE UNITED STATES last month recorded the third largest trade deficit in its history as both imports and exports fell slightly.

Last month imports exceeded exports on a seasonally adjusted basis by \$757.7m, an amount exceeded this year only by the July figure of \$827.1m and by the record \$887.1m deficit in August, 1974. Imports of petroleum products continued to rise, but by less than usual for August and the Commerce Department said that, seasonally adjusted, this amounted to a very slight drop.

Exports in August fell by just over \$300m, to \$2.7bn, while imports fell about \$400m, to \$3.05bn. For the first eight months of the year only by the July figure of \$22.1m and by the record \$22.1m deficit in August, 1974. Imports of petroleum products continued to rise, but by less than usual for August and the Commerce Department said that, seasonally adjusted, this amounted to a very slight drop.

The size of the trade deficit, while larger than expected, does not come as a surprise to the Administration, which argues that because the American economic recovery has outpaced that of other industrialised nations there is bound to be a lag in American exports until they can catch up.

The Commerce Department also notes that, despite a small rise last month in food exports, overall grain shipments are not likely to be as high this year as last when a poor Soviet harvest greatly increased demand for U.S. agricultural products. This in turn is likely to be reflected in the export figures in the coming months.

AP-DJ adds from New York: Machine-tool orders rose substantially in August, the sixth rise in the past eight months. Industry executives are generally optimistic about further improvement in coming months.

Several officials cautioned, however, that the 11 per cent increase from July may have overstated the trend. August orders for machines that cut and form metal parts totalled \$263.5m, up from \$183.3m in July and nearly double the \$102.5m in August, 1975.

Orders for lathes, grinders, milling machines, machining centres, boring mills, gear cutters and other machines that shape metal by cutting rose 17 per cent to \$148.3m from July's \$126.3m, and more than doubled August, 1975's, \$72.8m, the trade group said.

Last month's orders for presses and other machines to form metal parts with pressure declined slightly, however, to \$65.6m from \$67m in July. The August level was up 86 per cent from the depressed year earlier level.

## Scranton 'not interested' in Kissinger's job

By Our Own Correspondent

UNITED NATIONS, Sept. 27. MR. WILLIAM SCRANTON, the chief American delegate to the United Nations, who has often been mentioned as a possible successor to Dr. Henry Kissinger as Secretary of State, today emphatically denied any interest in the post.

Replying to a report in the New York Times that he was "in the running" for the job, Mr. Scranton said that he was "not at all interested in becoming Secretary of State."

He said that the news report contained "not an iota of truth." Mr. Scranton praised Dr. Kissinger as one of the most effective Secretaries of State, and perhaps the most effective in American history. He said that he hoped and wished Dr. Kissinger would continue to serve in the same capacity.

Reuter adds from Washington: The Securities and Exchange Commission gave tentative approval to the proposal of the National Association of Securities Dealers to make markets in both options and the underlying securities. SEC chairman Roderick Hills said that such a programme would be consistent with the Securities Exchange Act of 1934.

## WORLD TRADE NEWS

## Top Japanese mission to visit U.K.

BY CHARLES SMITH

TOKYO, Sept. 27. THE MOST high-powered Japanese business delegation to visit London for the past five years will be arriving in London in the middle of next month at the start of a four-country European tour.

The delegation represents the Keidanren (Federation of Economic Organisations) which is the rough equivalent in Japan of the Confederation of British Industry, but is generally thought to exercise much greater influence than the CBI on Government decisions.

The leader of the mission will be the Keidanren's 80-year-old president Mr. Toshio Doko. Apart from Mr. Doko, the twelve-member mission will include four of the Keidanren's vice-presidents and three chairmen of standing committees. Other members of the mission who are individually well known include Mr. Yoshio Ikeda, president of Mitsubishi, the second biggest of Japan's giant trading concerns and Mr. Norio Hasegawa, president of Sumitomo Chemical, Japan's largest chemical company.

Keidanren last sent a mission of its top leaders to Europe in the autumn of 1971, two months after Japan was asked to re-examine the yen under pressure from the U.S. This year's mission is likely to be overwhelmingly concerned with bilateral trade problems between Japan and Europe, but may also touch upon other topics uppermost in mind when the visit was planned.

Japanese business leaders have been watching political and social developments in Europe with keen interest during the past two years and Mr. Doko is understood to be anxious to get a first hand view of recent events. Japanese businessmen feel that the advance of Communism in France, Italy and Portugal may not necessarily parallel future political developments in Japan, but could still reflect underlying "post-industrial" trends which will appear in Japan as well.

The Keidanren is also interested in the workers' participation movement in Europe which it feels may catch on in Japan. Part of its concern was born of the experience of being virtually placed under siege by union demonstrators during the 1974 spring "wage offensives" in Japan.

In the aftermath of the 1974 wage offensive and throughout last year the Keidanren had its hands too full of domestic economic problems to be able to plan high level overseas missions. This situation, however, began to change early in 1976 when signs of domestic economic recovery began to appear. In addition, the Keidanren has received a string of visits during 1976 from European business confederations.

The French "Patronat" sent a delegation headed by President of the French Employers' Association to Japan in February. The CBI and the West German business confederation both visited Tokyo in April and a Danish mission came in June. Keidanren leaders say that all four of these missions forcibly

expressed their views about the trade imbalance between Japan and Europe—the full urgency of which had evidently not been grasped before their arrival.

The Keidanren takes the view that the Japan-EEC trade gap (which EEC sources claim may reach \$4bn this year) is part cyclical and part structural, but is ascribed to a difference between the export competitiveness of Japanese goods in Europe and European goods in Japan with the Europeans having, according to the Keidanren view, very much the worst of the comparison.

Keidanren says it wants to consider this problem in depth and is apparently hoping that its hosts in Europe will be specific. The mission will be ready to handle detailed complaints and arguments about such matters as "administrative" controls, non-tariff barriers, etc. It expects that issues like this may

be raised particularly at the open forum which the CBI is planning during one of its three sessions with the Keidanren.

The Keidanren leaders say they are not expecting to negotiate agreements for voluntary export control by individual industries during their European tour because this is regarded as being a matter for industry-by-industry negotiation. However, the mission is getting briefs from all the major Japanese industries which regard themselves as having problems in European export markets.

Apart from discussion of two-way trade problems, the Keidanren leaders hope to discuss areas of mutual interest, including plant exports to the third countries. Japan would like to increase the number of cases in which Japanese prime contractors for plant contracts subcontract large parts of a contract to European companies (or vice versa).

The Keidanren mission arrives in London on October 15, leaves again for West Germany on October 20. It will also be visiting France and Denmark before returning to Japan on October 30.

## Mitsubishi-Chrysler cooperation

BY CHARLES SMITH

TOKYO, Sept. 27. COITS and Plymouth Arrows are currently selling at a monthly rate of 10,000 units in North America and in Europe sales reached a peak of 5,000 sets last month.

Mitsubishi said it reached an agreement with Chrysler to start assembly of Mitsubishi trucks and buses at Chrysler's Colombia factory from next year. They plan to assemble about 40 to 50 vehicles a month, it said.

Mitsubishi trucks are currently assembled, utilising Chrysler's facilities in Australia, New Zealand and South Africa. Terry Dodsworth writes: Disruption of Mitsubishi cars to Europe, marketed under the Colt name, has so far been left in the hands of independent franchisees. In the U.K., for example, Colt

is handled by a company 51 per cent owned by local interests and 49 per cent by Mitsubishi. It is understood that in the Chrysler Corporation of the Japanese company reserved its right to market Colt products markets outside America. In the U.S. the cars go through the Chrysler dealer network.

how the new arrangements will affect European distribution. Mitsubishi has already appointed distributors in Holland, Belgium and Finland and these are believed to be working on reasonably long-term contracts. Japanese company is also known to have been interested in establishing franchises in France and Germany as well.

Under a capital and business link-up agreement Chrysler owns 15 per cent of Mitsubishi and Mitsubishi cars are sold in Europe under the Colt name. Mitsubishi declined to elaborate on the plan to boost sales but the Japanese cars—Dodge

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## N. Zealand market under attack

FINANCIAL TIMES REPORTER

THE NEW Zealand car market, an important export outlet for the Japanese car industry, is under increasing attack from Japanese manufacturers.

The Japanese have a severe duty disadvantage in New Zealand (the duty on unassembled vehicles from Britain and Australia is 6.25 per cent, against 45 per cent for the rest of the world) and the Yen has been hardening while sterling has lost ground. Despite these handicaps the Japanese have been able to price their cars competitively.

The four British-based suppliers—Leyland, Ford, General Motors and Chrysler—have traditionally dominated the market, partly because of the preferential tariff and partly because of their efficient assembly operations. However, the Japanese have been making arrangements with local suppliers to increase

NEW ZEALAND CAR MARKET				
January to June				
	Units	%	Units	%
Leyland	7,700	21.9	5,871	18.1
Ford	6,643	18.9	5,870	18.1
Chrysler/Mitsubishi	5,790	16.5	4,521	14.0
GM	5,749	16.4	3,745	11.4
Datsun	2,742	7.9	3,718	11.4
Toyota	2,246	6.4	3,135	10.4
Mazda	1,967	5.6	1,850	5.8
Honda	—	—	1,073	3.4
Others	2,240	6.4	1,434	4.5
TOTAL	35,137	100.0	31,395	100.0

the availability of their products, manufacturer support and competitive specification and pricing. For example, the Leyland assembler and distributor, has behind the Honda franchise. The Honda Civic was launched earlier this year and in the month of July achieved a market penetration of just over 7 per cent.

Reliable deliveries, strong 1974 and 1975 in 1976.

## Finland delays jet trainer choice

HELSINKI, Sept. 27.

FINLAND'S plane transaction of the century will be postponed by at least a month or two because the Government which was to allocate money to the 50 to 100 jet trainers collapsed, outgoing Minister of Defence, Mr. Ingvar Melin, said today.

The Government was to decide on the purchase of the jet trainers which will replace outdated French Fouga Magisters in September, but the five-party coalition fell in a dispute over economic policies ten days ago. According to latest information they are still four major competitors bidding to win the deal which could amount to 1bn. marks (\$250m.). AP-DJ

## French rolling stock contract

By Rhye Davis

THE FRENCH rail authorities, who are undertaking a major upgrading of transport links in the Paris area, have awarded a third contract for the supply of rolling stock to the Franco-Swiss partnership consisting of Societe Franco-Belge de Materiel de Chemins de Fer, and Alusuisse.

The latest contract worth Fr.1.5bn. (£173m.), is for 750 aluminium coaches to provide new links between the Paris Metro system and the French state railway line. To be known as Interconnexion, the link will join the Gare du Nord to the Gare de Lyon in a north-south direction, and then connect this line in turn with one of the Metro lines running east-west.

## Bleu deficit narrows

BRUSSELS, Sept. 27.

THE BELGIAN-Luxembourg Economic Union (Bleu) had a July trade deficit of Frs.3.397.5bn. down from a June deficit of Frs.5.073.5bn., according to preliminary July results of the National Institute of Statistics (NIS) published today.

## Polish line of credit

Lloyds Bank International and Bank-Handlowy w Warszawie S.A. have arranged a \$10m. line of credit to finance contracts placed in the U.K. by buyers in Poland for the supply of plant and equipment. The credit is guaranteed by Export Credit Guarantee Department. The period of credit will be from 2-5 years depending on the value of the contract placed.

## No Saudi oil embargo on the US

BY DAVID BELL IN WASHINGTON AND JAMES BUXTON IN LONDON

SAUDI ARABIA does not intend to impose an oil embargo on the U.S. if Congress passes legislation which would make compliance with the Arab boycott of Israel illegal. Mr. Gerald Pinsky, the U.S. Assistant Treasury Secretary, said that the Saudis had told the U.S. Government that they did not "consider an embargo as a policy option."

Meanwhile the Kuwaiti Finance Minister Mr. Abdul-Rahman al-Ahqi, said in Kuwait yesterday that his country was firmly behind Saudi Arabia in its opposition to the proposed U.S. legislation and believed that this was the position of all other Arab States. But he refused to specify what action Kuwait would take.

If the anti-boycott legislation were passed, American companies would be prohibited from giving any information which would further the boycott of Israel. Since all purchasers of Saudi oil must sign an undertaking that it is not bound for Israel this legislation would bring the U.S. oil companies into immediate conflict with the Saudi Government. According to Mr. Pinsky, it would be "impossible for U.S. oil companies to do business in Saudi Arabia and all Saudi oil would have to be shipped in non-American tankers."

Meanwhile, in an unexplained move, Sen. John Sprague, the chairman of the Senate Foreign Relations Committee, unexpectedly referred back to his committee for further consideration a resolution which opposes the sale of 650 Maverick missiles to the Saudis. The resolution, which is known to have greatly irritated the Saudi Government, was narrowly passed last week by the Committee.

The boycott issue poses serious political problems for President Ford. He already has before him one measure which would on the Tax Bill—which would sharply reduce foreign tax concessions for U.S. companies complying with the boycott. He is such compliance is not, at the moment, against the law.

## Banks boycott compliance

BY OUR OWN CORRESPONDENT WASHINGTON, Sept. 27.

MAJOR AMERICAN banks have based on data turned over by the Commerce Department to the fact that refusal to do so would probably have cost them very little business, Republican Benjamin Rosenthal claimed today at a news conference.

Mr. Rosenthal, chairman of the House Subcommittee on Commerce, Consumer and Monetary Affairs, released a detailed report two banks which had refused to accede to the boycott had succeeded in the removal of the fact that they have complied with the boycott has been known instances. Guaranty, for some time and they have said, always claimed that they were acting as agents either for U.S. companies or Arab importers cases these clauses had been and that they have done nothing removed. Irving Trust had been using by Jewish organisations for this compliance. The sub-committee report—amended and 16 cancelled.

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## Halt in W. German expansion

BY GUY HAWTIN

THE SURGE in West German domestic demand for motor cars will still be between 200,000 and 250,000 units below the 1973 level, it has not been matched by the export performance in the industry's performance in the export markets. It is unlikely, therefore, that there will be any of the industry's weakening position in overseas markets—particularly the U.S., where Volkswagen, the leading West German exporter, has been doing very badly indeed. Export sales this year are expected to be 400,000 units below the 1973 level.

At home the situation is far more satisfactory. The Deutsche Institut fuer Wirtschaftsforschung, one of the country's leading economic research institutes, predicted that the figure of 336 cars for every 1,000 last year. At the same time, residents would first be reached should be pointed out that current year will obviously be by 1980. However, it now seems over have vastly increased.

that this figure will be reached by the end of the current year. Naturally, motor car prices have continued upwards, but the VDA believes that this has not had any great impact on demand. It points out that between 1974 and 1975 (inclusive) the federal railways fares increased by some 63 per cent, while other public transport costs had gone up by 53 per cent. In contrast car prices during the period had risen only 30 per cent.

Motor manufacturers, however, appear concerned about the country's declining profit margins. Since 1969, average profitability has declined from 5.8 per cent to 3.8 per cent. At the same time, the figure of 336 cars for every 1,000 last year. At the same time, residents would first be reached should be pointed out that current year will obviously be by 1980. However, it now seems over have vastly increased.

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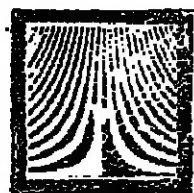
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# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## PRINTING

### Laser beam speeds the news

THOUGH it holds 85 per cent. of the world market in newspaper page transmission, Multibeam is not resting on its laurels and has just disclosed successful development of a threefold unit which will transmit newspaper pages from original paste-ups, make plates in-house at up to one a minute and also will operate as an input to automatic page composition systems.

Taking the company into the graphic arts field for the first time, the new "Flat Field Page-fax" unit with its ability to produce plates from paste-ups inputs, does away with several production stages, resulting in considerable time and cost savings.

Like Pagefax drum, flat field machines can work with data compression systems and the two

are compatible. Present drum installations can be extended to incorporate flat field equipment at replacement costs described as "attractive."

A further gain is seen when photo-composing output is fed directly into the laser plate-making system included in the equipment. Then the paste-up sheet itself will no longer be required, reducing the time factor in production by a further 20 minutes. Multibeam's calculations on time savings currently work out at 16 minutes per page with the elimination of the copy camera and film processing and drying operations.

The laser flat field scanner has already been supplied for a prototype composition system as an input device for the high speed conversion of display

advertisements and illustrations to digital form for computer pagination.

A photo-composer is used to mark up type accurately, and produce a page layout with "windows" for display ads and illustrations exactly positioned in relation to the type page layout. The scanner produces the layout in digital form and a computer then organises all the elements of the page and controls the photo composer which produces a whole page in film form.

This flat field recorder is also available for high speed output of a computer-set page direct to a printing plate and as an output device for computer typesetting systems.

Multibeam Data Communications Division on 01-650 4888.

## POLLUTION

### Ultrasonics purify

WALLIS Separators has three new ultrasonic separators, for laboratory and industrial work. The laboratory and low flow unit will cope with flows up to 1,000 gallons an hour.

Model 5/A is aimed at ball and rod mill applications, has a screen deck area of only 1 square metre but has a high throughput without any loss of overall screening efficiency. Flow rates of 70 cubic metres/hour are normal for 44 micron decks, and 100 for coarser apertures.

The third model is the 3/G. Electric specification is as above but to assist further natural drainage of recovered material, the separator is supplied with a 2 metre length deck. The prototype has been installed at Bulmers (cider makers) of Hereford where process water is being recovered suitable for recirculation.

Models 2/G and 5/A operate on a 3 metre head, require an input of only 2.2 kW single phase 230 v supply (or to customer's specification) and a fail-safe switch is incorporated in the generator circuit, making the system fully automatic.

Wallis Separators, Unit 24, Sittingbourne Industrial Park, Sittingbourne, Kent ME10 3JG. Sittingbourne (0795) 76281.

## COMPUTING

### Captures the flying ink spots

AN INK JET printer that produces correspondence quality printing at speeds of up to 93 characters per second and offers automatic paper and envelope handling, magnetic card input, formatting capability and optional communications facilities has been announced by the office products division of IBM U.K.

IBM 46/40 word processing printer produces high quality images from ink droplets which are electrostatically directed at the sheet of paper at rates of up to 117,000 per second. The electrostatic field through which the particles of ink are passed arranges them into the shape of the letter required.

Three speeds in three type styles are available. Magnetic cards, recorded on any of the range of IBM magnetic card typewriters can provide input.



This equipment for the production of exhaust pipes, is claimed to combine the versatility of a mandrel bender with the speed of a press bender. Supplied by The Addison Tool Co. of Westfields Road, London, W3 0RE and called the Vectorbend 300C it consists of a tube bender and a computing system called the Vector 1 tube data centre. There are two methods of operation. In one, the machine is programmed by "keying-in" bend

data on the control console. This information would include angles and plane of bend plus distance between bends. Once programmed, all machine movements are automatic but full manual override is possible from the control console. In the second method, up to five machines can be interfaced with the computer in the Vector 1 tube measuring, inspection and bend data centre, all working on different jobs, if necessary.

and ventilating ducting, and provide same extent.

The Dutch company Stork Brabant (British agent: A. E. Aspinall, 2 Wilton Street, West Manchester M1 5WJ. Tel. 061-228 6556) has introduced a machine it calls the TC481 vacuum continuous transfer calender. The transfer takes place in a vacuum of 110 Torr (1 Torr = 1 mm Hg) allowing transfer speeds of 42 m/min. at 210°C.

It is also possible to obtain a high quality transfer with this machine at the comparatively low temperature of 180 deg. C and it is stressed that side to side variations across the drum are minimal, but in this instance the transfer speed would be reduced to about 12 m/min.

Because of the use of vacuum, it is essential to have the material and transfer paper effectively sealed from the atmosphere. With the new Stork machine, windows have been incorporated so that the process can be observed from either side of the machine. There is little air left in the chamber and this allows the sublimation of the dyes to be accelerated, but even more important is the fact that the depth of penetration of the design is also increased.

As sublimation is able to take place at a temperature some 30 deg. C lower than is usual, simply because of the aid provided by the vacuum, it means that the fabric is more gently handled and the result of this is that texture does not become so harsh, so that together the treatment gives more rapid processing, deeper penetration and an improved handle of the final product.

In itself it is a most effective and simple way of applying the transfer, but there is a tendency for the fabric to be flattened during the period, as polyester fibres are thermoplastic and the effect of the treatment is much akin to a housewife ironing a sheet. This loss of texture is also accompanied very often by a stiffness in the final product.

Now, a new system has been introduced which allows for much more rapid transfer of the design and which tends not to

## MATERIALS

### Latex will meet new regulations

LOW-AMMONIA natural latex of a new formulation suitable for most applications has been developed at the Dunlop Research Centre and is now available from Dunlop Plantations through the sole distributors in the U.K., Hecot, Heyworth and Alcan.

Dunlop LAZN latex is the third generation of low-ammonia latices to be launched by the company, and it has a number of advantages over other types, the principal one being that the chemicals used as preservatives obviate the need to include boric acid or sodium pentachlorophenate, both of which are now prohibited in certain countries.

Chemicals used, tetra methyl thiuram disulphide (less than 0.010 per cent.) and zinc oxide (0.015 per cent.), are already well known to the rubber industry, and their effect on vulcanisation characteristics is negligible.

In consumer goods, the latex satisfies the most stringent regulations with regard to products that come into contact with the human body, and those in the industrial field used in the manufacture of food and drink.

LAZN has been approved for use in a number of U.K. factories in the Dunlop group, notably in the production of Dunlopillo latex foam, in hose for use in brewing and food processing, and for dipped products such as gloves.

First bulk supplies of LAZN will be available in the U.K. during October, 1976 but

## CONSTRUCTION

### Cuts down heat loss

A SIMPLE method of improving by up to 35 per cent. the thermal transmittance (U value) of conventional sandwich cladding for industrial roofs and walls, where the insulation infill would otherwise be compressed and made less effective, comes from Cape Universal Claddings.

The Cape Spacer system takes no longer to lay than conventional sandwich constructions and is quicker and easier than a system spaced by timber battens. Using 50 mm Rocksil insulation, the overall U value is cut from 1 to 0.62 W per square metre per degree C. Using 75 mm insulation, the value is 0.48 W.

The spacer is of 'n' section, 50 mm high, 80 mm across the base plus an extended foot of 23mm to provide stability and a fixing point for vertical applications. Standard length is 995 mm and, unlike notched spacers which lie directly on the profile of the underlying sheet, the section is constant throughout and of uniform strength.

More from Cape at PO Box 185, Tolpits, Watford WD1 8QZ. Watford (82) 33568.

## High speed space frame

LEYLAND truck and bus stand will be available in the U.K. Show, Earls Court, London (Sep-

### Low-weight coating

LOW-COST, low-weight, a decorative textured coating called TexGard 200 new interior coating can be sprayed or rolled on and dries quickly. Minimal preparation is necessary, and as the coating has elastomeric properties crack resistance is good.

Eight pastel colours are supplied as standard, while other shades can be produced to special order.

Textured Coatings, Keighley Road, Skipton, North Yorkshire RD23 2OP. Skipton 3281.

## COMPONENTS

### Flat fans supplied

ETRI FANS can now supply a wide range of axial units for use in the electronics, data processing and aerospace industries.

Power input options of 115, 220, 240 and 415 volts at 50, 60 or 400 Hz are offered, and units for DC operation. Speeds vary from 1,000 to 22,000 rpm and models are available for various temperature conditions with resistance to humidity, salt spray, shock, vibration and other environmental hazards.

Highest performer is the 125 XR which is only 38 mm thick but offers a 30 per cent. increase in pressure compared with earlier designs. Significant reductions of noise and power absorbed have also been achieved.

Casing is pressure diecast aluminium alloy with anodic protection and the impeller is moulded in glass-filled polycarbonate. More from 3, Guildford Road, Horsham, Sussex (0403 687971).

## Quiet fan modules

AVAILABLE in 12 inlet/outlet configurations, a cubic fan module with 500mm sides has been introduced by Smiths Precision Fan Co., Witney, Oxon, OX5 5EE (0893 2829). A Smiths Industries subsidiary. The modules are intended for heating

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## METALWORKING

### Automatic sheet fabricator

TRUMPF Trumatic 202WCT is a computer numerical control sheet metal fabricating centre. Programmed with a single tape reading enable the unit to perform a combination of punching, contour nibbling, forming and tapping operations in one machine set up and one work-piece handling.

A stationary punching tool adapter is automatically supplied with tools of any size, in any sequence, from a storage magazine at the machine. Capacity of the magazine is 20 tools. All punching, nibbling and tapping tools can be loaded in cartridges away from the machine, then transferred to the storage magazine. Pre-set tool cartridges reduce set up time and floor-to-floor time to an absolute minimum.

Punch, stripper and die, comprising one tool set, are simultaneously loaded into the tool adapter or removed when a tool change takes place. In the loaded position, tools are hydraulically clamped in one extremely rigid tool holder, which is equipped with hydrostatic, wear-free run bearing.

Trumatic, St. Albans 61121.

### Sampling metals

PRODUCTION of metal sample buttons using the non-consumable electrode melting technique in an argon atmosphere has been shown to be a viable and practical proposition, whereby the metal substrate can be subjected to analysis and evaluation prior to adoption for a particular application or to establish the parameters for quantity production.

A furnace has been designed and manufactured to meet the requirements of metallurgical establishments. Simple in construction, this non-consumable electrode argon arc furnace will make metal sample buttons from sample chippings, turnings or powders, with melting points up to 1800°C.

Button-shaped castings 36mm diameter x 7.5mm thick are produced to analysis and evaluation to the same with which items such as the thoriated tungsten electrode can be removed so that high output can be maintained.

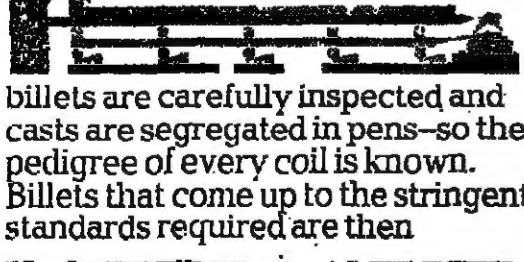
Napier Scott Agencies, Melbury House, Ardingly Road, Cuckfield, Haywards Heath, Sussex. Haywards Heath 3575.

# ON STREAM

Our new (£26m) Rod Mill has started production. A big occasion not just for GKN but for the whole of British Industry!

The new mill has proved to be an exciting shop window for British steel. It's brimming over with the latest advances in rod rolling. And that means greater precision and improved quality.

Take a closer look at the production process. Incoming raw



billets are carefully inspected and casters are segregated in pens—so the pedigree of every coil is known. Billets that come up to the stringent standards required are then



passed to the walking beam furnace where highly accurate heat control minimises decarburisation. Next, the rods pass through the 4 strand rolling mill where shear cropping eliminates front end defect. In the no-twist finishing mill, tungsten carbide

rolls are alternatively angled at 45° to give a rounder, more

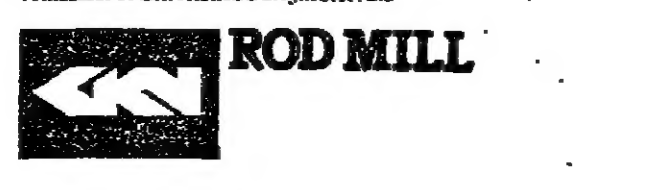


uniform cross-section. Finally, rods pass through the Stelmor process for cooling by high pressure water and air blowers and are then front and back end trimmed, tested and compacted into 1350kg coils and strapped with four steel bands.

Now look at the results. An output of 600,000 tonnes a year of the finest wire rod and coiled bar in Europe. Plus a stability of resources

and production that enables GKN customers to plan well ahead with no more headaches about continuity of supply.

Please write or phone for full details. GKN (South Wales) Limited, Castle Works, Cardiff CF1 1TQ. Telephone: 0222-33033. Telex: 49316. A member of GKN Rolled & Bright Steel Ltd



مركز الأبحاث  
BEC



# Gabon Pursues Its Ambitious Development Program

## Mineral-Rich Province Prepares For Gabon's Post-Oil Period

### Priority For Routes And New Industries

LIBREVILLE.—The Gabonese people have taken giant strides in a past few years to escape its condition as a sleepy equatorial town. A staggering rate of construction is transforming it into the modern capital of an important African country. Part of a facelift is connected with the annual meeting next summer of the Organization of African Unity, but much is dictated by the need for new ministerial buildings, public utilities, offices and homes. The shore boulevard is being widened and along it new hotels have risen at a new French-style pace, a new Foreign Ministry, new offices for development banks, a National Art Museum, extensions to major hotels while new hotels like the Sheraton are under way. Complexes of shops, offices, apartments and houses are also going up and the impression is that not much will be left, soon, of the old Libreville.

These are all signs of the continuing boom in the Gabonese economy launched two years ago with the rise in oil prices. Nevertheless there is currently an effort by President Bongo and his government to rationalize growth and delay all unnecessary spending. For example, the wide exterior boulevard will be completed linking the new port and the existing airport, but the plan for a new airport has been shelved.

Exports outstrip imports two to one and last year there was a \$50-million balance of payments surplus. The President wants to ensure that development is more harmonious and he also is anxious to consolidate his short-term debt. He says he will personally check that spending ceilings are not exceeded and that all essential targets are met in the race to broaden the country's industrial base before any dip in oil revenue. On the other hand, there is an efficient network of airports strategically located throughout the country.

The new five-year plan, starting next year, will concentrate on communications, be they the \$150-million network of roads for the capital, the transformation of the roads and hotels of Port Gentil, the country's economic capital across the Gabon estuary, or the launch and completion of the \$1 billion Transgabonaise railway, the \$825-million pulp factory at Kango, which will be among the world's largest with an eventual output of 300,000 tons a year, the opening up of rich iron mines and, of course, the search for more oil. In addition, some \$400 million will be spent over the five-year period to improve the country's agriculture and lessen its dependence on expensive imports from France and elsewhere. Manioc and banana production will be raised to meet the needs of thousands of imported workers from other African states and then the emphasis will be switched to fruits and vegetables, corn, rice and cattle. At the same time, Gabon looks to the techniques of countries like the U.S. to provide agribusiness firms.

President Bongo summed up the country's situation this way: "We have been going a little too fast. There is nothing alarming about our situation, but we have to pay more attention to priorities and to our debt ratio although we are below some countries which have gone successfully to the Euro market."

The government admits that oil production could dip slightly by 1980, but adds there is always the prospect of higher oil prices and new discoveries.

It says there are "serious signs" that new reserves exist and El-Gabon will shortly evaluate all of them. There are signs too of more uranium near the capital, deposits of copper, lead, marble and diamonds.

The building boom is not limited to the Libreville shorefront. Factories of all kinds have sprung up to fill the industrial zones south of the capital and traffic jams have come to both Libreville and its suburbs. So have foreign businessmen and French technicians. There are now 35,000 French in the country compared with 5,000 before independence and the government admits that many more foreigners will be needed to ensure the success of the Third Plan.

President Bongo has changed his political slogan from "Planned and directed liberalism" to "Democratic and concerned progressivism." It implies no change in his pragmatic approach to ruling. It means greater participation by Gabonese in management, but this Gabonization program will be based uniquely on the ability of the individual. The democratic part of the slogan also means that the state seeks minority shares in companies and wants these firms to explain regularly their policies to employees. The Minister added: "Concerted action means that we believe that development should go hand in hand with foreign investors. There is no question of nationalizing foreign firms for we also believe there must be motivation in business for it to be successful. The policy of the government is definitely liberal."

There is a lot of determination behind some of Gabon's mega projects. It has gone ahead with its major railway despite the earlier doubts of foreign experts and everything points to it being ready on time. It was not put off by lack of enthusiasm in some financial quarters for its pulp plant. It now has Swedish and French backers, as well as the World Bank, has planned overseas outlets for the production, rethought the plant's profitability and is looking at a last problem—pollution.

With exports earning more than \$1 billion a year, the President is not worried about his country's future, but he aims at more controlled growth over the next few years. It will remain one of Africa's highest rates, if not the highest. The Gabonese worker has a minimum guaranteed monthly wage of \$110 but the national average is \$150 or more. This is far higher than neighbouring countries.

Industrialization has not led Gabon to forget its stable source of riches, the immense forests of okoumé trees, which are cut and floated down the rivers to the Atlantic. The policy is to exploit this mass of quality timber through increased exports—world demand has been strong this year—through the pulp plant, diversification of the uses of wood and by obliging local firms to use local timber.

At Port Gentil logs drift in as oil tankers pull away, a symbol of the way traditional and new sources of wealth are being brought together.

FRANCEVILLE.—Gabon's rich mining region, deep in the south-east of the country, is embarked on a major expansion program prior to the arrival of the Transgabonaise railway which will cut through the dense equatorial forest covering the entire center of the country and link the new mineral port on the Atlantic coast with the mineral-rich Haut-Ogooué province bordering the Congo.

Target date for completion of the railway is 1980. When it reaches here freight trains will be loaded with increased production of manganese destined for the world's steel industry, the output of a planned ferro-manganese plant and other subsidiary industries, uranium from

The present route to the sea is impressive—a non-stop stream of 3,000 suspended wagons carries the manganese 47 miles down to the Congo. Negotiations with Congolese transport authorities are directed at improving railroads inside the Congo thus enabling up to 2.6 million tons to be exported from 1980 onwards mainly to U.S. steel mills, Comilog's biggest customer, which buy 42 per cent of output. Other major customers are France, which takes 22 per cent, Japan 12 per cent, West Germany and Britain.

Comilog's biggest shareholder is U.S. Steel with 44 per cent of the capital. The Americans have a \$100-million investment in Moanda and adjacent a

\$75 million upwards. Comilog has principally interested the Japanese, whose total stake of 25 per cent is divided between Okura (10 per cent), Nippon Kokan (10 per cent) and Nippon Denko (5 per cent). Comilog keeps 15 per cent and has divided another 50 per cent between Aciers de Paris, Elkem (Norway), Sadacem (Belgium), Tassara (Italy) and Union Carbide.

The feasibility study will be ready at the end of this year and the go signal can be given once the government agrees to push ahead with the Grand Poubara Dam on the Congo.

Meanwhile, Sylvos plans his \$75-million spending program for opening up the Okoumé plateau and has already formed another company, Sogadema, with American and Belgian interests to use manganese derivatives for the glass and pharmaceutical industries. He sees Moanda as the future center of a major industrial complex.

The region is also the site of Gabon's open uranium mines at Oklo near Moanda where the 1,000-yard-long excavation site is being expanded and two long mining galleries have been bored into the hillsides ready for mining. Production will rise from 1,000 tons in 1978 to 1,500 tons a year in 1980.

The bulk goes to France, but Comilog, the uranium company, sells smaller quantities for power stations in the U.S., West Germany, Japan, Belgium, Spain and elsewhere. A \$40-million investment program will enable Comilog to produce high-grade yellow cake.

It's a deliberate attempt of President Bongo to stimulate Gabon's virtual non-existent agriculture. French engineers brought sophisticated machinery to the area by dirt roads while agricultural experts planted 10,000 acres of cane for the first season. The cane was planted mechanically, the only system of its kind in the world, and has just been cut by fast-moving West German machines slicing their way through field after field. Production this year is expected to be 12,000 tons and the French experts on the spot see no reason why this plateau region near Franceville cannot be developed for other crops—pineapples, soy, corn.

Franceville, President Bongo's hometown, is rapidly spreading along its various hillsides and plains landing and departing from the new airport are packed as are most of the others using the many smaller landing strips.

The future hinges on the new dam as well as the Transgabonaise railway. The present hydro-electric plant at Poubara does not generate sufficient power for the planned new industries. The French are doing a feasibility study for the Grand Poubara dam project. It is likely to be a \$300-million-plus construction making use of the region's abundant water supply. The cost and the effort would make any developing country hesitate, but industry needs the power and there seems little doubt that the big dam will be built.

The major production platform, Grandin, at the southern edge of the El-Gabon concession, is surrounded by 20 wells and produces some 3 million tons a year. The field will also be used by Elf to experiment with a system of automatic seabed production aimed at replacing present production platforms.

There are about 15 companies from several nations undertaking exploration, but El-Gabon, Shell-Gabon and Gulf Oil are far and away the most active. Grandin production has recently been increased and the Brene field nearer shore is also being developed with U.S. independents, Odeco and Ocean. Throughout the area a balance has been maintained between declining sources and those being brought on stream. It's a

The European group of building firms contains some of the continent's finest—Spie-Batimmoles and Fovierolle of France and three other French firms, West Germany's Philip Holzmann and Billinger-Berger, Imprest of the Italian Fiat group, Holland's Interbeton and Belgium's C.E.I. The study group is also international and includes TAMS of the United States.

The program is for the Europeans to do the heavy work, for the French to supply the track and for General Electric and France's Alstom to supply the diesel locomotives.

President Bongo has called the railway "the priority of priorities." It will be the backbone of the harmonious development of the country. The cost of the foundations will be borne by the Gabon budget and there will be international aid for the rest of the work.



Uranium Mine in Moanda. Photo U.N.

mines now being enlarged, sugar from a recently built refinery and possibly other agricultural products. This is the country's second boom area destined to provide much of Gabon's export earnings after the run-down of the off-shore oil fields in the late 1960s. Henri Sylvos, director general of the Comilog mining company at Moanda, West of Franceville, stated: "With the railway and increased hydro-electric power we can really take off."

A vast new region for the mining of manganese has been staked out; the launching of the \$75-million ferro-manganese plant at Sogadema is being organized; Sogadema, a company associating Comilog with the Gabonese government, Japanese, U.S., French, Norwegian, Italian and Belgian interest and has started the first of a series of dependent industries devoted to the manufacture of batteries. Comilog has also taken a part of the mining company established to exploit the huge iron ore reserves in the north of Gabon, a project of direct interest to Bethlehem Steel.

Moanda, which is the Comilog "company town," is growing to meet the new industrial challenge. The company is a big money earner and currently sends its entire annual production of 2.3 million tons of manganese to the Atlantic via the world's longest industrial cable system, its own track in the Congo and finally Congo railways leading to the port of Pointe Noire.

### Unique Railway Through Forests Will Open And Unite Country

LIBREVILLE.—A wide path cut through dense forest stretches as far as the eye can see. It starts at a vast construction site on the coast at Owendo, just southeast of the capital, and runs east toward Ndolé in the interior. This is the beginning of the future Transgabonaise railway, the top priority in Gabon's economic planning, a line which will carry iron ore, manganese and wood from the hitherto isolated heart of the country. It is no exaggeration to say that it will be Gabon's lifeline both for exports and for uniting regions cut off one from the other, particularly during the rainy season.

It is a mammoth undertaking for a country which at the moment has no railways at all. The line will pass through some 420 miles of previously impenetrable forest and swamp and will leap giant rivers.

The World Bank took a look at the project some years ago and decided that it was a difficult venture. The Gabonese government, more ambitious, thought differently and work on one of Africa's most ambitious railways has now been launched with the start of the laying of the actual track scheduled for next year.

The technical skills and manpower of several countries have been brought together for the building of the Transgabonaise. The construction consortium comprises companies from

France, Italy, West Germany, Belgium and Holland. The workforce will consist of 1,000 Gabonese, another 2,000 from neighbouring African countries (Cameroon, Togo, Senegal, Upper Volta), 400 Pakistanis recruited by the French during dam building in their country and a similar number of European technicians.

Teams cutting the forest from Owendo and Ndolé have just linked up, providing a 112-mile path for the track. It has been probably the most difficult part of the work for it was carried out in a region noted for the worst climate in Gabon. One French engineer stated: "Normally, we like to start with the heavy hit to keep up morale. Here it has been the other way around. There's no fun in working in an area where conditions limit work to 125 days a year, but we are going to make it for Gabon has become a country where nothing stops."

Work will be possible for 250 days a year or more on the later sections, but then the problems will center on straddling six times the expanse of the River Ogooué.

Most of the backup sites are ready for the big launch. At Owendo the building of the station is well under way—the line will also go to the nearby mineral port also just north of Libreville. The site is cleared for a big workshop at Owendo for

the soldering of 140-meter-long sections of track. Quarries have been dug to overcome Gabon's current dependence on imported gravel. Construction bases have been established every 30 miles for the first section and groups of workers will be housed at these points. The European consortium, EUROTRAC, has built a small town at Owendo and the French managers of the billion-dollar line say confidently that they will meet the 1980 deadline for arrival at Franceville.

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### Oil Supplies The Means For Industrial Growth

PORT GENTIL.—Gabon earned its other name, "Kuwait of Africa," because oil brings more than half a billion dollars a year into the coffers of a country with a population estimated at around three quarters of a million. It gives Gabon a 30-per-cent growth rate and the highest per capita income in Central Black Africa. The known reserves, mainly offshore, are good for another decade and oil revenues will pay for improving Gabon's communications and the new industries which will depend upon them.

Companies have been looking for oil in Gabon since 1923 so the money being made from current annual production of 11.3 million tons is considered well-earned. Both government and companies are anxious to find more oil so that the oil boom can be extended for five years beyond present estimates.

Blocks next to the present string of wells offshore will not necessarily provide the hoped-for extra production. The drilling teams are returning to the mainland where prospecting was first launched. The forest forms an enormous obstacle to the companies but from now on the search is going to be half at sea, half on land. El-Gabon (75 per cent the French State oil company and 25 per cent the Gabon government) will spend \$70 million this year on exploration, for continued supplies of Gabonese oil are essential for the French company.

The government estimates that in the five years up to 1980 some \$450 million will be spent on exploring the length of the coast and in regions like the Nyemba forest near Lambarene. Seismic tests are under way in the forest and three drillings were made this summer. Altogether there will be 20 new drillings.

This year's production from the Gabonese fields will mean that of last year, which saw a daily average of more than 220,000 barrels. The oil industry accounts for more than two-thirds of budgetary receipts. Gabon joined OPEC in 1975 and while anxious to maximise its revenues it nevertheless pursues a policy of incentives to encourage private companies to keep looking for more oil.

El-Gabon is by far the largest producer with around 85 per cent of total production, followed by Shell with 12 per cent and Gulf with just over 1 per cent. The balance is scattered between several smaller companies.

The major production platform, Grandin, at the southern edge of the El-Gabon concession, is surrounded by 20 wells and produces some 3 million tons a year. The field will also be used by Elf to experiment with a system of automatic seabed production aimed at replacing present production platforms.

There are about 15 companies from several nations undertaking exploration, but El-Gabon, Shell-Gabon and Gulf Oil are far and away the most active. Grandin production has recently been increased and the Brene field nearer shore is also being developed with U.S. independents, Odeco and Ocean. Throughout the area a balance has been maintained between declining sources and those being brought on stream. It's a

steady business and the figure for total investment in Gabon oil has climbed beyond the \$1-billion mark.

Shell-Gabon is undertaking aerial and other studies inland, while offshore Gulf, working for the Shell-Gabon, El-Gabon, Gulf and Hispanoil association, has found encouraging signs at Meyumba.

U.S. figures put Gabon's posted price at \$13.50 per barrel but a special high cost deduction is made because of the high exploration and production costs of developing a considerable number of moderate-sized fields. The total government take on a barrel is around \$5.80 and company profits around \$1.40 a barrel. Under this kind of arrangement El-Gabon's profits have been averaging around \$45 million.

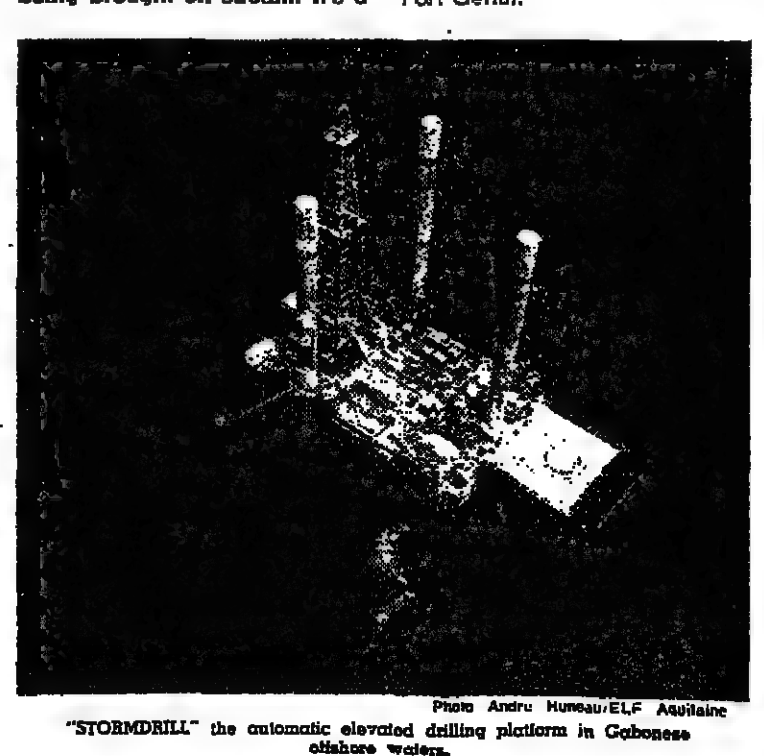
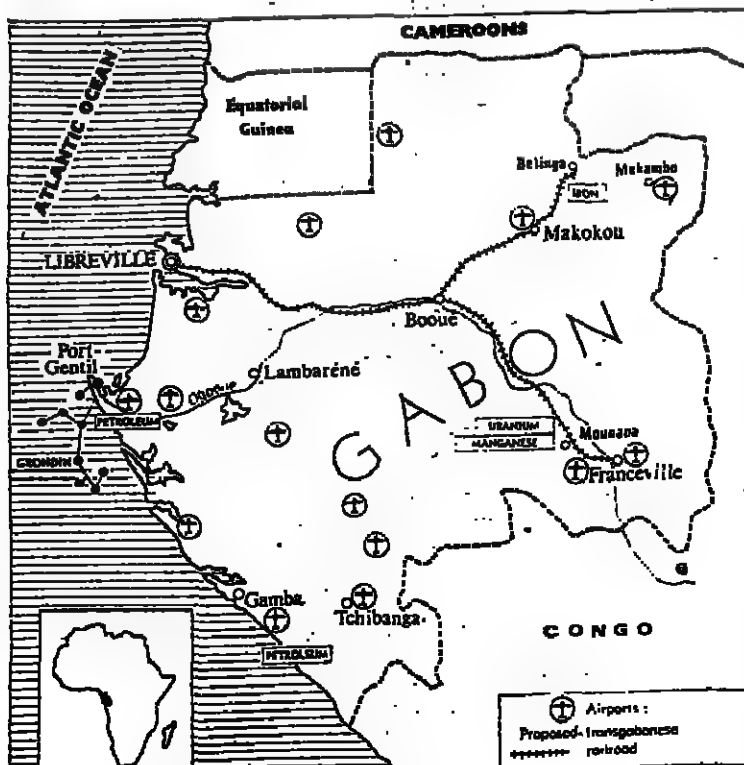
Blocking and refining capacity has been increased with a second refinery at Port Gentil and the country now has its own tanker, the 140,000-ton Tchen-gue.

Gabon seems to have evolved a coherent oil policy combining high profits for the government and encouragement for further foreign investment. Under a new law, producing oil companies must reinvest 10 per cent of their profits in other industrial ventures in Gabon. This program, called PID (Diversified Investment Program), was first applied to El-Gabon which now has extensive investments in various new industrial enterprises. Shell has just entered into a similar agreement.

The state's policy is to create an industrial base to one day replace oil. El-Gabon, which is hoping to push sales this year to \$700 million, has earmarked some \$80 million of its \$250 million investment program to stakes in these PID industries, which extend the influence of oil companies throughout the economy. The company has formed a joint venture with the government which has taken 58 per cent in the new Coger refinery and future ammonia plant, 38 per cent in the new sugar company at Franceville and a whole range of other new companies.

The list is extensive and includes a paint and varnish factory, a data processing company, a construction company specializing in prefabricated concrete, a vegetable production concern and even a medical research center which will be devoted to discovering the causes of Gabon's low birthrate. There will be other stakes in a protected paper pulp mill scheduled to cost more than half a billion dollars, a large cement plant, a shipyard and a commercial fishing venture.

With all this activity destined for the post-oil period, the major question in Gabon is how long will the 'oil' last. Some industry sources state that Gabon will be producing oil in some quantity for at least another 25 years. Grandin, for example, has a long life ahead of it. Although oil comes in small pockets, the industry thinks it certain that more deposits will be found and this could mean production being maintained at something like present rates for 15 years. The fact that new partners are being found to share exploration costs is an encouraging element. El-Gabon is also investing large sums in expanding its oil storage facilities at Port Gentil.



"STORMDRILL" the automatic elevated drilling platform in Gabonese offshore waters. Photo André Numa-ELF Aquitaine



## LABOUR NEWS

## Big rise in dispersal costs for Civil Service

BY DAVID CHURCHILL, LABOUR STAFF

A MASSIVE increase in the costs of dispersing 11,000 Ministry of Defence Civil Servants to Cardiff and Glasgow is revealed in a confidential report by a Ministry working-party.

The report estimates that dispersal will cost up to £200m at current prices, which is more than four times the previous unofficial estimates of the costs.

These findings come as leaders of the main Civil Service unions are preparing to adopt a new tough line on dispersal following the Government's recently announced intention to cut Civil Service manpower by at least 48,000 by 1978.

Executives of the major unions are considering a top-level report which calls for a "comprehensive review" of the dispersal programme and a "campaign for an independent enquiry into current dispersal arrangements."

The Ministry of Defence working party's report, made for an internal sub-committee responsible for implementing the dispersal programme, calculates that the costs range from £124m up to £200m, depending on whether potential savings are taken into account and whether the costs

associated with the Department of Environment and Property Services Agency—responsible for buildings and land—are taken into account.

The report concludes: "These costs provide a rough measure of the inefficiency of dispersal for the MOD and prove the point that the amount of damage increases in proportion to the distance of the receiving locations from London."

Estimates of the total cost of dispersing 31,000 Civil Servants from all Whitehall departments—including the MOD—had previously been estimated by the MOD at approximately £400m.

But the revised MOD estimates will substantially update this figure.

These are likely to be the short-term costs but some estimates claim that, over the whole ten-year period of dispersal, the savings will eventually outweigh the costs by as much as £100m.

Most of the major Civil Service unions are believed to be critical of the dispersal programme. The largest Civil Service union, the Civil and Public

Services Association, decided at a recent executive meeting to demand a no-redundancy guarantee from the Civil Service Department, by the middle of next month—in return for future co-operation in dispersal.

Union leaders recently failed, in a meeting with Civil Service Ministers, to have the dispersal programme postponed in view of the manpower cuts. They thought it wrong to consider a costly and inefficient programme at the same time as cuts were required.

Consequently, the document from the National Whitley Council staffs now circulating among the union executives for endorsement calls for a three-point future policy on dispersal to be adopted by the unions.

This is to express strong opposition to the dispersed areas of dispersal in the MOD and other departments; to demand a comprehensive review of the dispersal programme against the background of current reductions in public expenditure; and to campaign for an independent inquiry into current dispersal arrangements, with broad terms of reference.

## NUPE aims for fringe benefits

By Our Labour Staff

CONFIRMATION that fringe benefits will figure in pay negotiations for more than one million local authority manual workers next month came yesterday from Mr. Alan Fisher, general secretary of the National Union of Public Employees.

"We shall be looking at the requirements of the TUC Government incomes policy and any implications there may be from the seamen's settlement in relation to fringe benefits and allowances," he said.

The local authority manual workers' negotiations are the first big public sector claim of the pay round and NUPE, together with the General and Municipal Workers and Transitions, are expected to be the first to begin their negotiations with the local government employers on October 6.

Traditionally the settlement sets the pattern for subsequent claims by hospital ancillary workers and other public sector manual groups.

Officials of the Merchant Navy and Airline Officers Association will meet shipping employers to-morrow for continuing talks on fringe benefits which began after they settled their annual pay claim with 15 increases in May.

## PARLIAMENT



## Labour defeated on Race Bill

THE TORIES defeated the Government three times yesterday in the Lords over the Race Bill. The former Lord Chancellor, Lord Hailsham, said that the Conservatives wanted to take out of the Bill anything which was unenforceable, unintelligible or potentially oppressive.

There was a series of Government defeats on provisions of the measure—although these will have to be debated by the Commons when it resumes in two weeks' time.

Lord Hailsham complained that the Government was subverting the proved values of English law and was successful in moving two changes to shift the burden of proof away from people accused under the proposed legislation. The first was carried by 127 votes to 69, majority 62. This removed a requirement on a person accused of discrimination to show that this action was justifiable irrespective of colour, race or other origins.

The second defeat came when Lord Hailsham forced through by 53 to 26, majority 27, an amendment dealing with alleged victimisation of complainants. He objected to the proposal that a person accused of victimisation would have to produce proof that information was false and an accusation had not been made in good faith.

A third, dealing with another aspect of victimisation was carried against the Government by 53 to 26, majority 27. Lord Hailsham said of this section of the Bill, which he succeeded in removing from the measure, that it was unintelligible, unenforceable and oppressive.

Earlier, Lord Hailsham said he recalled the case of Mr. Robert Reif, the Leamington man jailed for contempt after refusing to take down a sign offering his house to "an English family only."

Mr. Reif had defied successfully the law and the judge, a counter-productive situation resulting from idealistic legislation, demonstrated unenforceable. The Bill reversed the established tradition that a man was innocent until proven guilty.

Lord Hailsham said one reason put forward for changing the burden of proof was the argument that racial discrimination was particularly odious. But it was no more odious than rape, murder, malicious wounding or other serious offences.

"It is precisely because it is particularly odious that the law has found it prudent to insist that a man is innocent unless he is proved guilty. In none of the other cases, from murder downwards, had it been necessary to alter the burden of proof."

If the Bill was passed unchanged, and people were assumed guilty until proved innocent, this would not attract the moral respect or the adherence of the British people.

Lord Avebury, for the Liberals, said that in cases of racial discrimination it was always difficult to show that an offence had been committed for racial reasons and not for other reasons.

Opposing the change, he said the Bill as it stood would help in establishing claims which were justified. The number of complaints dealt with under the present law was only the tip of the iceberg.

Replying for the Government, Lord Harris of Greenwich described Lord Hailsham's amendment as a retrograde step. The law had an absolutely crucial role to play in race relations.

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## HOUSE OF LORDS

## Opportunity in Rhodesia must be taken: Minister

To fail to take advantage of the opportunity created in Rhodesia would be tragic Lord Goronwy-Roberts, Minister of State, Foreign Office, said in the Lords yesterday. Peers had returned after the summer recess two weeks earlier than the Commons to deal with a log-jam of business.

In an interim statement on Rhodesia, Lord Goronwy-Roberts said Mr. Smith's acceptance of majority rule within two years represented a major step forward. So did his willingness to meet immediately with Rhodesian nationalist leaders to discuss the formation of an interim government.

Lord Goronwy-Roberts said the communiqué issued by the first African presidents at their meeting in Lusaka contained some points which needed to be clarified. But it appeared they had accepted the principle of a transition to independence on the basis of majority rule and this needed for early discussion to establish an interim transitional government.

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"We would also, at the appropriate stage and paying due regard to UN's procedure, revoke the existing sanctions legislation," said Lord Goronwy-Roberts.

"The concern of all of us must be to create the right climate for negotiations to begin. It will not help matters to indulge in recrimination or speculation one way or another."

Lord Carrington, leader of the Opposition, urged the Government to lift sanctions as evidence of good faith in Mr. Smith's statement. Mr. Smith had come a very long way.

He was worried that guerrilla warfare would be allowed to continue until after the transitional Government had been set up. This was totally unacceptable after the intentions shown by Mr. Smith.

"It would be unlikely to lead to a settlement in which good will and a settlement can exist. The Government should insist that part of the price of a constitutional conference is the ending of guerrilla warfare."

Lord Carrington said the Government seemed to lack Dr. Kissinger's vigour but he was glad to see that they had accepted the idea of a constitutional conference and had been prodded into a rather more active role than they appeared willing to play in the past.

Mr. Reif, who had accepted the offer made to him in the Tiger and Fearless talks, and later by Lord Home and Lord Goodman, he would have obtained much better terms.

The Tories had been advocating just such an initiative as Dr. Kissinger had made in recent months. Lord Carrington reminded the Government that when the con-

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Lord Byers, Liberal leader, asked what part representatives of the guerrilla forces should play in the talks.

It was inconceivable that it should continue with sanctions while the talks were taking place.

Lord Goronwy-Roberts said the intention that all concerned, representing attitudes Rhodesia however, suggested they might be, including guerrilla fighters, should be brought into the talks.

There would be no point in implacable minority which could claim not to have any responsibility in the final settlement. The Government regarded it as a matter of course that it would not only Rhodesia a better future, but would also possibly give the whole of southern and central Africa a model of how things could be done without recourse to force.

The only way to end guerrilla warfare and get a speedy lifting of sanctions was to institute an interim Government based on African majority rule.

Lord Avebury (C.) said Mr. Smith had managed to bring about agreements made to stop him in the past. What safeguards were being made to stop him allying out again?

Lord Goronwy-Roberts said there must be a tremendous effort to make a reality of majority rule.

Answering a further point about assistance to Rhodesia, including making universal places available, he said British contributions would be very small, but we would be glad to support and help from other countries.

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## Tugboat row on blacking of carrier

BY IAN HARGREAVES, LABOUR STAFF

AN international row has blown up over the blacking of a Liberian bulk carrier by the International Transport Workers' Federation and the National Union of Seamen.

The Ems Ore, 8,300 tons, has been lying helpless on the Upper Clyde since September 15 when tugboat crews refused to move her downriver on union instructions.

The row, which has involved a formal protest to the Foreign Office by the Liberian Ambassador and an allegation of piracy from the Liberian Shipping Council, centres on union claims that pay and conditions for the 30-man crew are below international standards. This claim followed a union visit to the ship as she unloaded iron ore at the general terminus quay of the British Steel Corporation.

The union told the federation, which is running a campaign to improve seamen's conditions on flag-of-convenience vessels, to stop the vessel leaving the Clyde until her owners Transatlantic Bulk Carriers of Monrovia, negotiated a new agreement.

Talks have been held in Glasgow between the union and lawyers representing the owners, but progress has not been made.

THE STEEL Industry Management Association now seems set for a long fight to win affiliation to the TUC following rejection by its annual conference of the week-end of terms for a merger with the biggest steel union, the Iron and Steel Trades Confederation.

Arrangements were being made yesterday to hold an emergency meeting of the SIMA national council to consider the association's position in the light of the week-end's developments.

Mr. Robert Muir, SIMA general secretary, said yesterday that he could not pre-empt the decision of his national council, which technically has to decide whether the conference decision should become official policy, but he wanted to stress that it had long been SIMA policy to seek affiliation with the TUC whether or not there was a merger.

The strength of the conference decision—89 to 17 against amalgamation with ISTC—clearly took the SIMA leadership by surprise. Mr. Muir had visited major steel centres in an attempt to sell the package which, on the face of it, appeared

to offer very favourable terms to SIMA. The national council now appears to have very little alternative but to abandon its plans for a secret ballot of the association's 12,500 members and set about following the old course of seeking independent TUC affiliation.

SIMA's difficulties in gaining TUC acceptance are considerable. The association is, in effect, a proscribed organisation by the terms of a decision of the TUC finance and general purposes committee of 1968, which declared that SIMA had no valid claim to negotiating rights for BSC managers.

Although the climate in the steel industry has changed a great deal in the last eight years



## FINANCIAL TIMES SURVEY

Tuesday September 28 1976

## PROCESS PLANT

Despite the impact of North Sea oil and gas developments, demand for process plant in the U.K. this year has grown more slowly than expected. Export markets present a brighter picture, but here the British industry faces intense international competition.

low  
limb  
out of  
rough

Kenneth Gooding  
Financial Correspondent

CLIMB out of recession like being laborious and slowly as far as the plant industry is concerned. This is amply illustrated by the recent forecasts prepared by the industry's help the National Economic Development Office. These show Britain's manufacturers of process plant and equipment should be lagging at between 75 and 80 per cent of capacity over the next two years. Certainly that is not much to cheer about. But it does look much better than current circumstances where the average work rate in the industry is 55 per cent, to say the least, and in some particular cases companies have about run out of work completely.

Within the overall picture,

another feature emerges clearly—that the importance of overseas markets is growing all the time.

The total value of plants to be established overseas during the three years up to the end of 1976 will be more than three times the value of plants for the U.K. So "if the process plant industry is to remain in any health at all it must look outside the U.K. for its bread", according to Mr. A. T. Wright of GEC Power Engineering. Mr. Wright insists that the U.K. has the technical capabilities—the design and manufacturing capabilities are as good as any other country in the world—but it does not have a good record of being able to quote at fixed prices or deliver on time.

Both difficulties are being overcome and the Export Credit Guarantee Department's inflation protection scheme seems to be a step in the right direction. The problem is that this scheme is so complicated that very few companies have made use of it—or seem likely to do so.

Some of the bigger contractors have had to put their cost calculations on computer, so it is no wonder that only two contracts have been concluded using the cost escalation scheme since it was introduced in February 1975.

What the Process Plant Association would like to see instead is a simple and prompt referral system, only a "phone call away," to tell contractors how they stand when preparing a bid. As

usual, the French, with their COFACE scheme, are held up as a shining example of how it should be done.

The difficulties of contractors called on to undertake fixed-price overseas contracts in a period of high inflation has been reflected in the sharp decline in the last two years in the proportion of material purchased in the U.K. for overseas contracts.

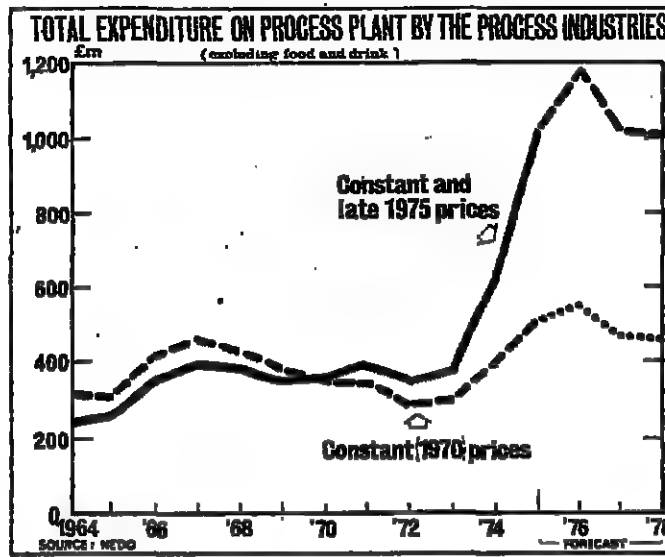
NEDO statistics show that in 1974 the U.K. manufacturers' share of this business was £118m. out of £220m. By 1975 the share was £143m. out of £326m. and this year the forecast is for it to be £161m. out of £432m., or roughly one third.

## Inflation

Sir Frederick Warner, chairman of the EDC's process plant working party, the "Little Neddy", believes, however, that the U.K. should be able to get back much of the lost business once its inflation rate settles somewhere near that of its largest rivals.

Contracts for really heavy fabrication work and for extremely heavy lifting equipment had been permanently lost to the U.S. and Japan, but this was a limited market.

Sir Frederick echoes the widespread industry complaint that the U.K. nationalised industries could do much more by presenting a steady level of investment instead of the current system where large orders are placed after a period of development of the British little or no activity. The



nationalised industries could also help the plant and equipment manufacturers by specifying products which could also be sold overseas.

Of course, the nationalised industries themselves would clearly prefer to carry through their investment programmes at a steady rate and to give their suppliers early warning of their requirements. But, they complain, Government interference makes this impossible.

The most recent example of how Government procrastination can hurt the process plant industry was when the Department of Industry postponed again a decision on the development of the British Steel Corporation's Port Talbot

site. This was a very bad blow to the steelwork's contractors, deeply submerged in the worst recession since the war and counting on the £800m. investment at Port Talbot to lift them off the bottom of the trough and to preserve vital jobs.

It now seems that the industry can count on no major BSC orders until late in the spring of 1977, and they have been told that any letters of intent signed in the meantime will be against next year's budget. So there would be no payment until next April.

By that time the companies claim that many of their design teams might have broken up, as people will leave an industry holding them back. If something happens to alter that

situation, as they promise, then life could get very much more difficult for the U.K. contractors. Meanwhile, however, the U.K. contractors expect to maintain a high level of activity this year.

The NEDO investments forecasts show total capital expenditure by the process industries in the U.K. is expected to amount to £10.06bn. in the three years to the end of 1978. Of this total North Sea oil and gas production development should account for one-third and expenditure by the chemical industry 23 per cent.

This, after allowing for inflation, is substantially unchanged from the forecast made mid-way through 1975.

Expenditure on process plant—the hardware—is marginally less than the figures forecast last year because of the reduction in the expected spending on oil refining and on North Sea oil production development.

The other problem sector is electricity supply, where the test estimate from the Central Electricity Generating Board shows likely demand for electricity in the winter of 1982-83 reduced from the 56,000 MW forecast last year to 52,000 MW—a drop equal to two big power stations.

So the forecast for spending on "hardware" over the next three years (at late-1975 prices) is £1.33bn. this year, £1.16bn. in 1977 and £1.157bn. in 1978.

The process industries' own investment programme depends to a great extent on whether the drive for exports succeeds. Forward order books will have to be filled before the industry thinks in terms of significant new investment.

The industry has forecast that during the three years to 1978 spending on fixed investment will be about £2.75bn.—three times the rate in current money of the expenditure during the period 1972 to 1974. In addition to fixed capital spending the industry is expected to need £2bn. of additional working capital during the same period.

As the Little Neddy pointed out: "Achievement of such a programme requires that the industry should have a high level of cash flow as well as the expectation of adequate profitability from new projects."

The future growth of the industry in the U.K. will also depend on the extent to which foreign-owned companies choose to locate new investments in the U.K. or to establish joint ventures with U.K.-based companies for their European activities, rather than looking to other European countries.

"Given consistent and helpful government attitudes and the right economic legislative and social climate, the industry believes that the (investment) programme can be achieved and that it will provide adequate capacity for expected future prospects of growth of U.K. demand and of export markets, with some margin for additional opportunities," says the "Little Neddy."

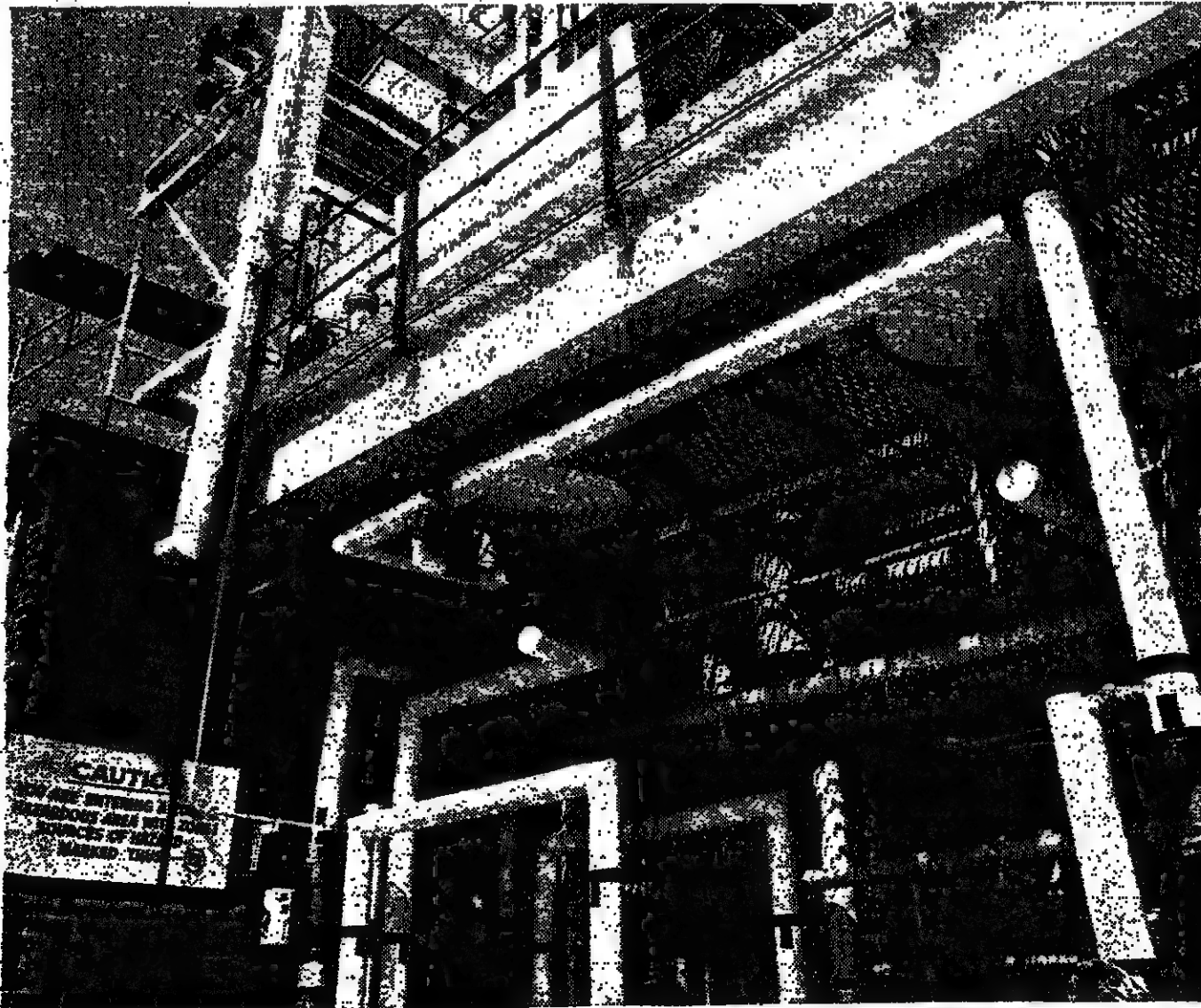
Reduction

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annum of ethylene across 850 km. A high density polyethylene plant in Czechoslovakia shown below, is due to come on stream this year. CJB Offshore Ltd., a subsidiary company, is one of the leading international contractors working in the offshore industry. The Thistle Field structure, recently positioned in the North Sea, was the first complete platform engineered by CJB, who entrusted the structural design to the associate company, CJB-Earl & Wright.

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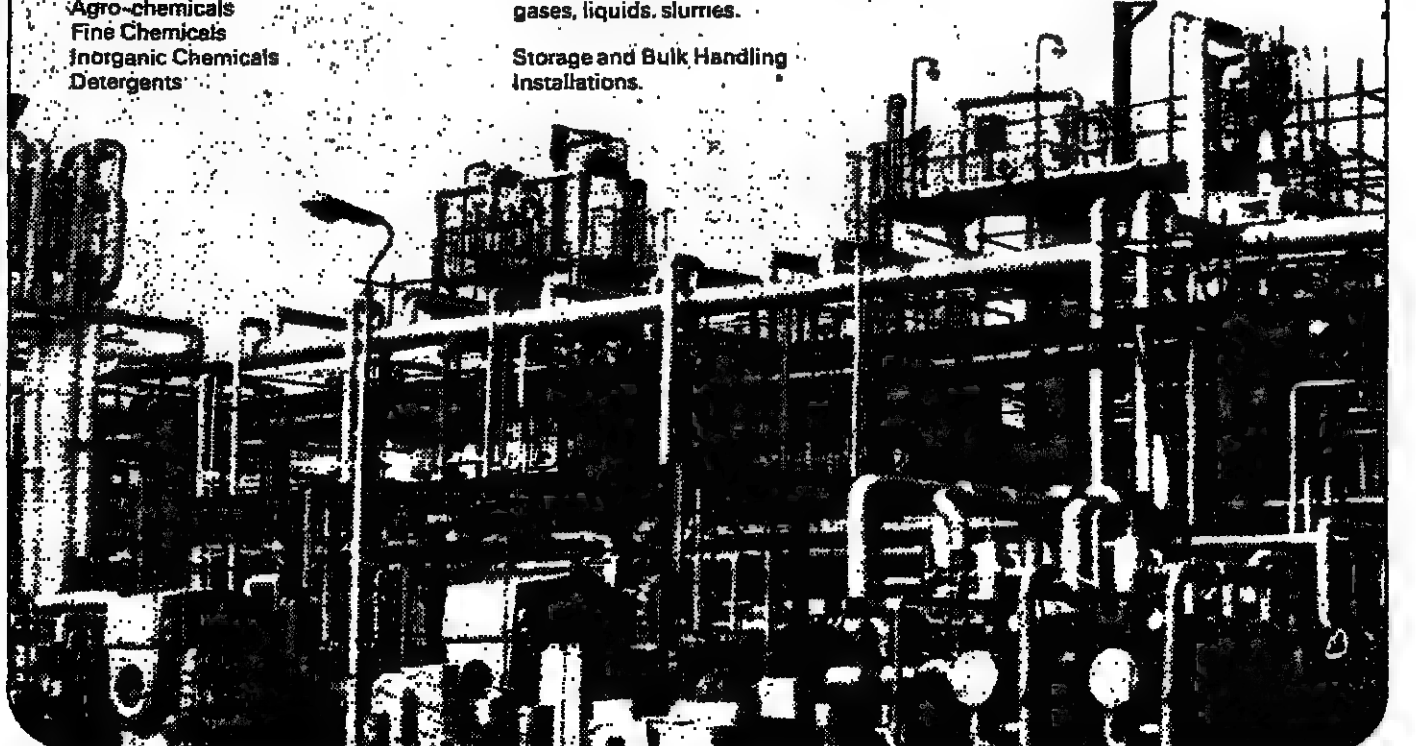
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## PROCESS PLANT III

# North Sea fields lead the way

RDING to latest forecasts the development of North Sea oil and gas production facilities will account for a third of 10bn. capital expenditure in process industries over the next five years. Such importance of this new major industrial sector has done much to reshape business outlook of companies supplying process plants.

Less than 15 months ago the National Economic Development Office was forecasting a rate of platform ordering which now, in the light of experience, looks like no more than wishful thinking. Based on University of Aberdeen estimates, NEDO foresaw 33 platforms being ordered over the five years to 1980. No fewer than nine of the contracts were expected to be placed this year.

NEDO's latest process plant report, published in July, paints a very different picture. Only three orders are now anticipated: one each in 1978, 1979 and 1980.

The pessimism expressed in these latest figures are as extreme, and unrealistic, as last year's optimistic forecasts. A straw poll of oil companies carried out by the Financial Times suggests that as many as seven or eight fields might be declared commercial next year. These findings are confirmed by two other independent but as yet unpublished surveys.

Not all of these fields will be developed with conventional fixed platforms, however. The Transworld Group, for instance, is expected to use a floating system, perhaps a converted semi-submersible rig, to develop its Buchan field. British Petroleum has been evaluating a tethered or tension-legged platform, as well as conventional structures, for its Magnus field. And several operators have looked at the possibility of installing sub-sea production systems of the type which has been installed experimentally on Shell/Esso's Brent field.

## Attention

Platform builders have lately attracted most of the attention. After all, the construction sites were officially created to cater for new oil and gas "boom", size of the structures they depict the size of the rigging offshore market. But manufacturers further afield, the module makers and equipment suppliers, have also been hit. Many of the disappearances of orders was a bitter reward for changing their manufacturing emphasis.

The severity of the drop in order development has surprised almost everyone: industrialists, trade unions and government officials alike. It is the longer-term prospects are even more difficult to assess but even here the signs are encouraging. Wood, Mackenzie — stockbrokers and North Sea

oil analysts — believe that 14 new fields could be developed over the next few years, precisely the same number as declared commercial up to now.

If these finds are exploited (and in view of the cost, technological and political uncertainties that must remain a big "if") Britain's commercial oil reserves could rise from the present 8.3bn. barrels to 13.4bn. barrels. The cost of developing these fields is currently estimated to be more than \$12bn., with the peak possibly occurring in 1979 or 1980 when the outlay might be about \$3bn.

## Predictions

It is interesting to compare these independent predictions with those of the Government. Dr. Mabon, for instance, has stated that by the end of this year between \$3bn. and \$4bn. will have been spent on oil production systems; by the end of 1980 this figure might have reached \$6bn. to \$8bn.

The opportunities for equipment manufacturers extend well beyond the need for oil production platforms. For the first time in its history Britain has become an exporter of oil, in both crude and refined form. This has entailed the construction of new treatment plants, storage facilities and shipping terminals. The Occidental Group has just completed such a terminal in the Orkney Islands to handle crude from the Piper Field. The terminal is now being extended to cope with oil from the Claymore Field as well.

In the Shetland Islands, a whole host of companies are involved in the development of the Sullom Voe terminal. Costing between \$450m. and \$500m. and destined to be the biggest in Europe, the terminal will handle oil from a number of fields including Brent, Cormorant, Hutton, Ninian and Thistle.

Both the Shetland and Orkney communities have outline plans for the development of further terminal facilities in the islands. It is possible that a new terminal will be built in a different location; perhaps in the Moray Firth — a prospect made more likely by the recent MESA find.

There will also be business opportunities for those companies involved in pipe manufacturing, coatings and ancillary equipment, although sadly,

Britain still does not have the capacity to build large diameter pipe suitable for the North Sea trunk transmission systems.

This means that unless the situation is rectified — and there has been no tangible sign that British Steel will install the necessary production capacity — the U.K. will miss out on much of the future pipe-fabricating work. New oil pipelines may be needed for some of the larger North Sea discoveries, like Pan Ocean's Brae Field. The Government is investigating a scheme, costing well over £1.6bn., to lay a grid of pipelines to collect natural gas from as many as 30 fields and unnamed discoveries.

Last year British industry captured only five per cent. of the offshore pipe market but this result was in marked contrast to most of the other North Sea activities. For example, British companies are meeting all orders for pipe coatings, 98 per cent. of orders for safety equipment and 95 per cent. of the content of steel production platforms.

Overall, British industry has increased its share of the work content in the North Sea to over 52 per cent., as against 40 per cent. in 1974. Given the oil industry's agreement to provide U.K. companies with a "full and fair opportunity" to compete for orders, it is likely that the U.K. will push up this share to around 65 per cent. at least.

A strong foothold in Britain's offshore oil and gas venture is not only important for its own sake. Knowledge gained in providing equipment for deep water exploitation will be invaluable for companies seeking work worldwide.

The Department of Energy's Offshore Supplies Office estimates that the world market for offshore oil production equipment could be worth between \$5bn. and \$8bn. a year. The growing number of trade delegations from countries like China, India, Brazil, from established oil producers in South East Asia, South America and Eastern Europe, indicates that Britain's recently-gained expertise is becoming recognised.

So with the improved climate at home and the export opportunities abroad, the British offshore supply industry has a renewed opportunity for growth.

Ray Dafter

# Steel industry remains a strong runner

THE White Paper on Public expenditure published last year, the Treasury pointed a downward revision of capital expenditure in almost all nationalised industries with the exception of steel, as investment programme remains as strong as ever — if actually stronger.

Despite the intense debate surrounding BSC's oft-reviewed much-criticised ten-year strategy and despite the recent back in nationalised industry investment and the extraordinary Government indecision over the Port Talbot proposals, the steel industry is now emerging as the most important State industry market for the process at companies both in terms of actual expenditure and in terms of the pace of growth.

Figures produced by the Littlewoods process plant suggest expenditure on process plant by steel (at 1975 prices) nearly doubled to £108m. in 1977, £158m. in 1978, £175m. in 1979, £175m. in 1980, £175m. in 1981, £175m. in 1982, £175m. in 1983, £175m. in 1984, £175m. in 1985, £175m. in 1986, £175m. in 1987, £175m. in 1988, £175m. in 1989, £175m. in 1990.

Overall capital expenditure by the Corporation, on the Littlewoods figures, is meanwhile expected to rise from £452m. in 1975 to £565m. this year, £77m. in 1977, £720m. in 1978, £744m. in 1979 and then fall to £644m. in 1980.

The importance of the BSC programme lies not just in the size of its overall commitments but in the range and geographical diversity of work for contractors and suppliers. This alone will see it starting me 40 projects costing more than £3m. and they are widely making.

distributed across its regions.

The northern region around Teesside continues to be the point of largest expenditure, accounting for 37 per cent. of the Corporation's new investment at present. At Redcar, the Corporation is proceeding with the second stage of its major new plant programme including £158.4m. on phase A (coke oven battery, pelletising, sintering and burden-preparation facilities) and £212m. on phase B (the new blast furnace, power station and additional coke oven) as well as £133m. on associated works such as site clearance and expansion of capacity in the mills. Nearly £16m. is also being spent at Consett on blast mill enhancement.

## Complex

In Wales, which accounts for a further third of the expenditure, the Corporation is spending £56m. on a tinplate mill complex at Ebbw Vale, over £120m. at Port Talbot on a new sinter strand, coal handling system and replacement of coke ovens; and over £42m. on a new coatings complex at Shotton.

In Scotland — which accounts for about 10 per cent. of BSC's current expenditure but whose proportion is likely to rise substantially over the long term in view of the plans for major new plants at Hunterston and Ravenscraig — BSC is already spending £98m. on an ore and coal terminal and £57m. on direct reduction plants at Hunterston and a further £200m. at Ravenscraig on Stage III development there, including coke oven, continuous slab casting and slab reheating and improvements to iron and steel-making.

At Sheffield, meanwhile, a response, in turn influenced by union response, the unemployment which the strategy inevitably implies. Mr. Varley, the Industry Secretary, has already intervened to deal yet again in the Port Talbot-Shotton steel-making decision, leaving the Corporation with the awkward option of going ahead with a £350m. investment in coke ovens, continuous casting facilities and a new hot strip mill without a commensurate increase in steel-making capacity.

## Attitude

A third is the technical problems as well as human difficulties associated with the new large-scale plants, as illustrated by the recent troubles at Llanwern. A fourth is the presence of a new chairman in Sir Charles Villiers and his attitude to large versus smaller mini-plants and his sensitivities to Government views.

How these factors will work out is anyone's guess at present. There are signs of a re-think in the Corporation on the choice of the mini versus large scale plant. There are signs that demand as well as politics are serving to delay decisions on some of the larger-scale investment at Teesside as well as Port Talbot and to make the rating review of Corporation investment plans more "flexible" and more uncertain.

Yet the basic commitment to the ten-year strategy remains. For all the problems of the moment, one's guess is that the strategy will proceed but that it will take place more gradually and with more changes at the edges than seemed likely a year ago.

Adrian Hamilton

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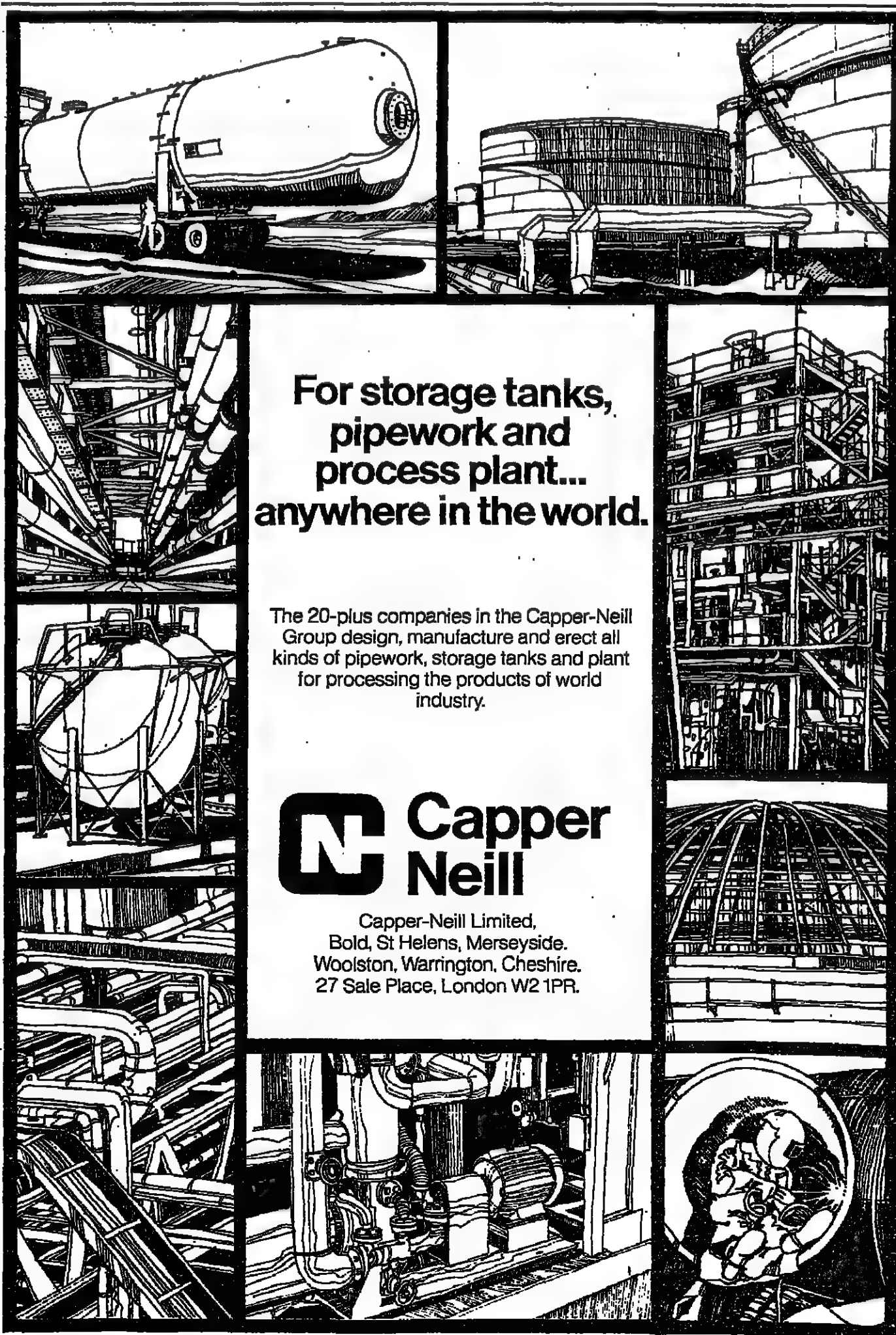
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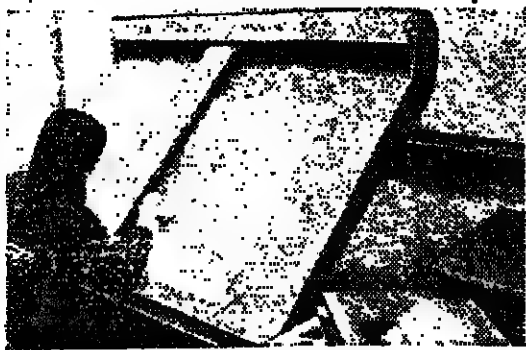
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## PROCESS PLANT IV

# Excess refinery capacity

WITHOUT the North Sea the U.K. process plant industry would be in a perilous if not hopeless state. It has been the succession of oil and gas discoveries over the past six years which has given impetus to an entirely new market on industry's doorstep—or quayside, as it were. And it has been the results of this impetus, reflected in the continued heavy investment in on-shore and off-shore facilities to produce the oil, which has prevented the recession and the savage decline in ordering in other sectors of the market such as power station construction from biting more deeply than it has done—although it has not by any means saved the industry.

Yet North Sea development has no more remained untouched by the impact of recession than any other industry. The sheer pace of exploration in the early seventies and the development programmes on the major fields discovered then continue to provide a high rate of expenditure off-shore, but the sudden slowing down in new investment over 1974-75 has already led to a serious downward revision of future expenditure estimates, from previous expectations, and, although there are signs of recovery, few believe that the pace will ever be sufficient to absorb all the construction capacity built up in the meantime.

Similar tension can be seen in the area of refining and on-shore investment. On the one hand the development of oil fields, particularly in the far north, has induced considerable investment in processing, storage and transport facilities on the Shetlands, Orkneys, at St Fergus (for gas), at Cruden Bay, at the Firth of Forth and at Teesside. More than that, it has encouraged companies, prodded with varying degrees of force by the Government, to consider new refining and process investment to upgrade facilities and perhaps build new export-orientated facilities to cope with the flows of oil and gas.

### Revision

But on the other hand the recession has equally led to a drastic revision of demand forecasts for oil and has hence raised fears of long-term overcapacity of plant even at existing levels, never mind the addition of new facilities. This is particularly so in the U.K. where, again partly encouraged by Government fiscal incentives, a considerable refining capacity has already been built up.

Excluding new refineries not already in progress at Amoco's Milford Haven refinery and Conoco's Killingworth refinery, U.K. distillation capacity in the U.K. is expected to rise to 152m. tonnes within a few years. Against this inland demand for oil products has fallen from around 100m. tonnes in 1973 to

only some 82m. tonnes last year. E.C. on relatively optimistic GNP growth rates—and Treasury predictions are always optimistic—it is unlikely that demand will recover its 1973 peak much before the end of the decade or that existing capacity will be strained before the mid to late 1980s.

It is against this background that the debate on downstream investment is now taking place. The Government for its part—with an eye on Scottish nationalism as well as on investment and employment—has been anxious to ensure that as much oil as possible is processed in the U.K. and that the North Sea developments result in added investment—at least in upgrading if not also in new plant. The oil companies for their part are concerned not so much with new investment prospects as with the continuing surplus of capacity and the fear of what new plant or politically-inspired developments could do to prices and returns.

It is not an easy debate to disentangle. Despite the early tendency to conduct it in terms of whether North Sea oil was or was not suitable for the product demand pattern in the U.K., there is little reason to believe that, of itself, North Sea oil cannot be largely absorbed into the U.K. system. Broken down under the normal distillation process, the pattern of products it produces is not too far out of line with the pattern of U.K. demand, par-

ticularly since that demand is tending to move towards a greater emphasis on gasoline, naphtha and the lighter products.

What the argument is really about is two separate but inter-related questions. One is whether the economics work out in favour of using a major proportion of North Sea oil at home and exporting the value-added products or whether it should go with the market and be exported to a substantial extent as crude.

The other is whether the market or the presence of North Sea oil will induce companies as the Government wishes to invest in new plant to upgrade oil towards the lighter fractions as well as further processing facilities in petrochemicals.

So far the Department of Energy—has tried to handle it as flexibly as possible, being committed to an "intention" of seeing two-thirds of U.K. North Sea oil refined domestically but in practice playing it by ear as the decisions come up. As it seems to be working out, the companies are getting their message across on the issue of crude oil exports and the need to avoid adding to the surplus in refinery capacity but the Government's view on the need to see more upgrading facilities is also looking to be more justified with time.

On the question of exports and new distillation capacity the argument is essentially one of the market and what it will bear. The companies' view on exports is based largely not on

their ability or inability to absorb physically North Sea oil of a different quality from their present pattern but the fact that considerable investment has already been made in plant to crack the heavier fractions (at least in the case of BP) and reducing sulphur content so that to use low-sulphur North Sea oil would be to waste this investment and so lose the advantage (an argument strengthened further by freight rate differentials on crude versus product carrier) of selling crude into a hungry European or U.S. market. And to this extent North Sea oil looks like replacing imports of lighter oils from Nigeria and Libya in the existing crude balance rather than replacing lower cost heavier oils.

### Confused

BP has already been allowed to export a few shipments of its early North Sea production and the next few years will see a rather confused picture as the Government attempts to get companies with North Sea oil but without refineries (the Occidental group, for example) to sell to companies with refineries but without early oil flows. As the oil flows build up—50m. tonnes or more in 1978 and after, the pattern should then settle down, and provided that the Government does not move to intervene in oil flows or use the British National Oil Corporation to do so, could result in a pattern in which perhaps 50-60 per cent of the crude oil going into U.K. refineries is from the North Sea and the rest continues to be imported.

Whether the surplus volumes of North Sea oil will encourage investment in refineries hangs then on both the market and the ambitions of the NOC. In so far as any refinery would be dependent on the domestic market, it looks unlikely to happen. Although there are a number of grass roots schemes on the drawing board—most notably Occidental and United Refineries' parallel application at Canvey Island and Burmah Total's at Cliffe near the Thames Estuary—and although the Cliffe and Occidental schemes have overcome most of the planning obstacles, all seem

to have ground to a halt precisely because of the domestic problems.

The future of Occidental scheme and even more Cromarty Petroleum's proposal for a major new refinery in Scotland really seem to depend on export contracts for all the concentration environmental problems which has so far surrounded them. And this export market, number of uncertainties as to the future course of U.K. policy and refinery growth in the moment looking towards for imports—and to the potential impact of Middle East export refineries built up in oil producing countries. At the stage the odds seem to run against early construction of new refinery in the U.K. although Cromarty looks most likely. But the next or so could change this.

But if the prospect for the process plant industry on green field refinery does not seem that bright, the prospect of work in upgrading plant (catalytic crackers, for example) is increasingly bright and unit costing as much as £70-£80m., the work is far from negligible.

Shell is just completing a unit at Shellhaven, Total has announced plans at Lindsey while Mobil is embarking on similar investment in Corby and Texaco and Gulf have recently revealed that they are considering such a joint plan at Milford Haven.

According to the most recent estimates by the "Little Nedd" on process plant, even without new refineries this kind of investment should keep refinery investment at a level of a little over £100m. a year through 1980 and next, dropping to £50m. in 1978 and to £45m. in 1979, the moment when a decision as to whether a new refinery could come. It is significantly lower than was expected last year or the year before, when projections were £120m. and it seems only a limited relationship to the North Sea upgrading would probably have occurred anyway for demand reasons. But it is far from negligible.

Adrian Hamilton

## Queries in power supply area

WHEN POWER station building in Britain was going ahead strongly in the 1960s to meet a seemingly inexorable growth in demand for electricity, the Central Electricity Generating Board (CEGB) was spending some £500m. a year. But the oil price crisis and the consequent upsurge in all fuel prices quickly demonstrated in Britain that the electricity consumer could relate demand to price far more closely than energy theorists had believed possible.

Electricity experienced a drop in sales unprecedented in peacetime. By the end of 1975 demand was 8 per cent lower than a year earlier. A mild winter helped to depress sales even further during the early months of this year. The CEGB investment programme has already dropped to between £250m. and £300m. a year, which, at ruling prices, amounts to roughly only one-quarter of the investment levels customary in the 1960s.

The most realistic and probably most accurate examination of future prospects in the British market available so far has come from the CEGB itself recently in the form of a Corporate Plan. The Board bases its projections up to 1990 upon a "most optimistic" energy case and a "most pessimistic" energy case. If the rate of growth in electricity demand follows the pessimistic forecast, then no new power plant at all will be needed until after 1990. If the most optimistic case were to be experienced then the Board would need to order one new main power station (a £500m. plus order) in two or three years' time. After

that the CEGB capital spending programme would provide as much work as the power plant sector could handle.

The probable demand for electricity in Britain lies somewhere between the CEGB's two extreme cases. Thus it is unlikely to be sufficiently strong to keep the industry occupied with new work. The CEGB is being understandably cautious about the future and has said time and again in response to pleas from the industry for more information that (1) there will have to be flexibility in all its long-term planning to take account of unpredictable shifts in demand for electricity, and (2) it will not order any plant before rising demand absolutely compels the orders to be placed.

The Board is already rationalising its power generation plant to secure maximum efficiency in production now that demand for electricity is lower. Some 47 power stations—mostly older ones inconveniently sited in towns—are being phased out completely and there is a gradual reduction of manpower in the CEGB with the object of raising productivity.

### Smoothly

Meanwhile the nuclear programme continues with the long-delayed and trouble-plagued second generation stations based upon the advanced gas-cooled reactor. The first of these stations at Hinkley Point is now generating power and is working much more efficiently and smoothly than detractors of the system predicted, or the CEGB and the constructors had dared hope. Its present performance in its early days is already almost equal to the best of the first generation nuclear stations.

However, the CEGB is being cautious and will want to have two years of full operating experience with this first AGR before coming to firm conclusions about the design. The three other English AGRs, Hartlepool, Heysham, and Dungeness, are in various stages of building as is a fourth in Scotland for the South of Scotland Electricity Board.

The Government is considering whether to order one new nuclear power station, primarily to keep the British nuclear power station industry alive. The CEGB stresses that it will not need such a unit in the foreseeable future in order to maintain power supplies. The CEGB has been working (on Government Instructions) on the steam generating heavy water reactor concept for the last two years. However the early performances of the Hinkley Point AGR must make it at least a possibility that the Government will finally decide to order a further AGR design. Which ever power station design is chosen the work load for the power plant industry will be about the same and will be warmly welcomed.

Another Government move to help the industry is being considered. The CEGB may be asked to order a major new coal-fired station some years in advance of the Board considering it necessary to place such an order. The coal station would be built alongside the existing station at Drax, Yorkshire, and would burn coal from the new Selby coalfield which the NCB is now beginning to develop. The CEGB would expect the Government to support it by covering the extra costs of the early ordering of Drax B. If the Board is left to decide for itself it will delay the order to phase-in the Drax station with the development of the new coalfield.

Maintenance and the improvement of existing power stations and transmission systems will continue to provide an income for the power plant industry. But it is a poor substitute for the full flood of designing and building new power stations at the rate of several at any one time. The industry recognises that it has to attain its activities to a "new set" of circumstances which, in the heady days of the 1960s, would have appeared unbelievably gloomy.

The type of fuel used to generate power is the key factor in decisions about future power stations. The miners have been pressing the CEGB to build another coal-fired power station to use more coal. The Board, on the other hand, points out that one new coal-fired power station such as Drax will mean the disappearance of several older coal-fired power stations to balance the supply/demand situation. As Drax will be much more efficient than the old stations the net result will be that the CEGB will burn less coal to produce the same amount of electricity.

The Government seems to be committed to backing the order of at least one nuclear power station to follow the present AGR building programme and maintain the British nuclear industry in work during the early 1980s. That station, when completed, will have a dramatic effect upon the economics of power production. The CEGB already has more nuclear stations building than it needs. It will probably have one more added for political reasons. The Scots have a nuclear station building which is not essential to supply current power needs.

The net result of these programmes is going to be a steady swing towards nuclear power for generating electricity base loads in Britain. Thus the CEGB is going to find it increasingly difficult to burn the quantities of coal that the Government and the miners would wish for social stability. Already the CEGB's consumption of oil has been reduced to little more than 10 per cent of coal usage so there is not much room there for manoeuvre by switching from oil to coal.

Roy Hodson

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## The Management Page

EDITED BY JOHN ELLIOTT

A sugar estate in Africa's largest country may provide the key to successful large-scale project management for a major trading company. James Buxton outlines the progress to date.

## Lonrho pins some hopes on Sudan

A SUGAR ESTATE in Sudan, major African operators like Anglo-American and Union Minière. Attempts in the past world, is currently the development project undertaken by Lonrho, an international trading group, in the headlines for a variety of reasons, leaving Lonrho in an invidious position of international management in a controversial manner in its top management to operate.

But in Sudan — which Lonrho does not in fact embrace within its African operations — it has so far succeeded, thanks to its persistence and its strong Arab connections. Lonrho has only a small, 5.5 per cent, equity investment in the Kenana Sugar Company's 40m. (£62m. sterling), but it has been a major driving force in assembling the other investors. They are the Sudanese government and Sudan Development Corporation, with 50 per cent, while the balance is held largely by Arab interests, with the Japanese having a small stake. Thus, it has become the largest commercial joint venture in Sudan.

The Kenana scheme has been under consideration by both Lonrho and the Sudanese government since the beginning of the decade, and the go-ahead for a feasibility study was given by President Jafer Mohammed Nimeiri in 1971. The idea was to level and irrigate a large stretch of the fertile alluvial plain between the Blue and White Niles 180 miles south of Khartoum; construct a sugar mill and refining plant; open up a sell half the output to the sweet-toothed Sudanese market and the other half to the Arab world; involve some proportion of commercial foreign investment; and manage the project in such a way as to challenge the



developed elsewhere in Africa, which effectively meant importing expatriates to run most of it. Such a scheme might seem ambitious in any developing country, but in the early 1970s to attempt it in Sudan appeared strikingly so, particularly to some of Lonrho's directors. It was to emerge as a factor in the now legendary boardroom split which resulted in eight Lonrho directors trying unsuccessfully in 1973 to oust Mr. K. W. "Tiny" Rowland, the managing director.

It was ambitious for two reasons: first, because although President Nimeiri's government was anxious for foreign investment there would inevitably be serious institutional and political problems connected with such a large project; and second, because of the risk in starting a project for which everything has to be imported and at least half the product exported from a spot more than 600 miles away from the only seaport, and connected to it by a congested, low capacity single track railway.

Tiny Rowland's personal contacts with African and Arab leaders are well known but it has been pointed out, on the whole fairly, that major Lonrho

projects have sometimes floundered because contacts with almost equally influential civil servants and local businessmen further down the line have not always been as good. In the case of Sudan, Mr. Rowland at an early stage established good relations with President Nimeiri, who came to power in a bloodless military takeover in 1969. But Nimeiri's first move was to nationalise foreign businesses, and when he later tried to swing away from that policy he was almost toppled by a Communist coup in 1971.

Since then he has vigorously pursued the cause of economic development. In a mixed economy and appears to have won the support of most political groups in the country for his policy of few restrictions on foreign investment. But a large-scale project like Kenana required special handling, not least because of the comparison that might be made with the State-owned Sudan Sugar Corporation, whose first two plants were initially only partially successful.

## Exchange ideas

However Lonrho appears to have overcome this difficulty: the managing director of the Sudan Sugar Corporation, Mr. Mohammed Bashir Wagir, is on the controlling Board of Kenana, and there is likely to be an exchange of ideas between Kenana and the two new 110,000-ton plants the Sugar Corporation is developing in the same region, one on Kenana's boundary.

Other factors came together in getting the project off the drawing board. Sudan's decision to borrow heavily to pay for development came at about the same time as the 1973 oil price rise which not only gave the oil-producing Arab states considerably more money but also made them more aware of their serious shortage of home grown food. Thus was born the concept of developing Sudan, the northern part of which is generally considered an Arab country, as a food-producing area.

When it became clear that at least part of the borrowed money was being put into infrastructural development, including the establishment of a surfaced road system and the modernisation of the railways, Kenana's way ahead seemed much clearer: work on the project started last spring.



Mr. "Tiny" Rowland, chief executive of Lonrho. Earlier this year the Kuwait Government took a 25 per cent stake in the enlarged capital; the Sudan Government has 40 per cent, the Sudan Development Corporation 10 per cent, the Arab Investment Company 17 per cent, Lonrho 5.5 per cent, Gulf Fisheries 2.25 per cent, and Nishio-Iwai 2.25 per cent. The total cost of the project is now put at about \$350m., which will be raised, partly out of equity, partly from loan capital and partly from supplier credits.

Since British credit facilities proved hard to obtain, the bulk of the factory equipment is being supplied by the French company Technip at a cost of \$170m., while the boilers and turbo generators are being produced by Nishio-Iwai. The contract for construction of the factory has not yet been awarded but is expected to go to an American concern; Sir Alfred McAlpine has two contracts totalling \$60m. for building the main irrigation canal and pump stations, and the civil engineering works on the factory site.

The task of managing the project is divided between London, Khartoum, and a circle of huts on the site. Probably the management's most difficult task is to keep the different aspects of work in step with each other so that the factory starts operation on schedule in 1978. So far this has been achieved: the 28 km. long main irrigation canal which will lift water 41 metres from the White Nile is well underway; the Sudan Public Works Corporation is building the subsidiary canals. The site has been levelled and construction of the factory is due to start early next year. The bush is being cleared and planned to a slope suitable for irrigation. Last year 250 acres of sugar cane was planted, this year 2,000 acres, and next year it should cover 200,000 acres. The only aspect in which the project is badly behind schedule is in the provision of housing for the 180 expatriates and 4,000 other workers now on the site. When that is complete, a golf course will be started.

This gives the tailoring groups the ability to offer relatively small-run exclusive lines to supplement their more popular ranges. It can also relieve smaller companies of the problem of having to research the market and keep permanently up-to-date on new design ideas. Apart from Jackson, most of Claridge's business in men's suits is done with overseas groups including Oxford clothes in the U.S., A and N Mutsaers in the Netherlands, and Belvest in Italy. The weaving equipment used in the mill has been designed to enable a wide variety of designs to be developed in different materials. Thus apart from wool and wool blends for the men's trade, Claridge whose minimum consultancy fee is a hefty \$10,000, also produces designs in fabric form for Jaeger, and the Stephens Brothers, a shirtmaker within the Courtlauds group.

As well as giving leading manufacturers of fabric and clothing in Europe and the U.S. an extra design arm, the system is also being used by manufacturers in countries building up their own textile industry who want guidance in developing cloths for export markets. Instead of using their own equipment to test designs, companies in these countries can buy designs complete with manufacturing specifications.

Rhys David

## BOOK REVIEW

## When ownership is weakness

BY BARRY RILEY

The Naked Investor by Robert Heller. Weidenfeld & Nicolson, £3.25.

GREEDY AND gullible, the investor can seem an unattractive individual. Emotionally committed to his shares, all too often he loses objectivity; his triumphs are endlessly recounted but his more numerous failures are mostly forgotten. He is prey to plausible company promoters and their pliable accountants. And shareholders, as Robert Heller points out, have proved politically naked, their ownership function turned into a weakness rather than a strength as Governments freeze their dividends and tax income or "gains" of which inflation has made a mockery.

It is small wonder that the private investor has increasingly retired to the sidelines leaving the institutions to get on with it. Success, alas, has also proved elusive for the professional fund managers. The gunning of New York rarely lasted beyond one bull market. Even the better funds, swamped by mounds of high-powered broking research, have found it amazingly hard to beat broadly based indices like the F.T. Actuaries All-Share.

When it proved so difficult to be clever at picking individual shares it became the vogue to go liquid during bear phases, only for the cash fans to be left stranded and helpless at the turn of the market. Hence the appearance in the U.S. of that ultimate in defensiveness, the fund which — carefully — guarantees to perform in line with the index. Unfortunately, the indices themselves have lagged disastrously behind inflation on both sides of the Atlantic.

## Joined in the chase

Mr. Heller's magazine Management Today, with its growth league tables and glamourised managers joined in the chase after the mirages of the 1980s with at least as much gusto as any other publication. But for all his somewhat brazen air of being wise after the event, Mr. Heller has produced an entertaining guide to the tragicomic of the stock market slump, choosing a vantage point somewhere in the mid-Atlantic.

Thus for a brief but glorious moment the Avon door-to-door cosmetics company was valued on Wall Street at more than the entire U.S. steel industry. Corporate hucksters glibly

explained why shareholders were better off without any dividends, while in the U.K. in the better-sketched of the paper-chase great companies were lured — or almost lured — into far-fetched mergers like Bowater/Ralli and P & O/Bovis. In the U.S. even more than in the U.K. growth stocks were valued at absurd premiums: at one time the price/earnings ratio of Xerox was 71, and Polaroid's 89. There arose the legend of the Vestal Virgin, the glamour stocks which the big Wall Street funds traded between themselves on a stratospheric p/e because they dared not see the bubble pricked.

But pricked it was. The 1973-74 slump on the London market was devastating — worse than in 1929. Fortunately the tighter credit curbs on Wall Street prevented a repeat of the Great Crash, when forced selling by over-gears (and wiped out) investors led to an even greater self-feeding decline.

## Describes the problem

How did it all happen? Mr. Heller describes the problem of savings, both individual and collective (such as pension funds), that in the expansionary period of post-war Western economies grew into an uncontrollable flood of wealth. The stock market was the sponge that could keep it from overflowing. Equally this does not quite get to the point: strictly speaking, equity boom did not absorb wealth any more than the slump released it. But the stock market powerfully responds to forces at the margin.

For a long period the pressure of demand was enough to push prices upwards (albeit with cyclical fluctuations) and this growth itself justified the progressive over-valuation of underlying company profits.

Over-valuation was replaced by under-valuation. One of the more intriguing post-crash armchair calculations is that for what was spent on Concorde Britain and France could have bought — alas, only theoretically — 81 per cent of the whole U.S. aerospace industry.

In the aftermath a great many illusions have been shattered. The cult of earnings has gone; belief in exotic paper has evaporated. Equities now stand up on what they can return to shareholders in cash dividends, though in these inflationary times we are not yet back to the conditions of the early 1950s when U.K. equities, as risk investments, yielded more than gilt-edged.

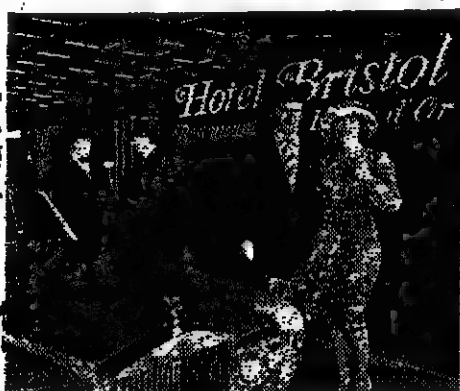
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## 'Laboratory' for textile design

TEXTILE DESIGN is generally not supposed to be one of Britain's fortes, so it is perhaps all the more surprising that the efforts of one small Scottish company in this field are helping in a modest way to boost U.K. invisible exports.

The company, John Claridge, based at Selkirk, in the Scottish lowlands, operates a design consultancy with a difference, using its own mill as a laboratory to produce clients' designs in finished fabric form, and not simply as ideas sketched on paper.

The concept itself sounds fairly simple but in fact it is far from usual. Very often the independent design consultancy working for textile producers is able only to offer his ideas, which then have to be made up into fabric by the client before the full effect can be seen. For textiles companies using expensive capital equipment or lacking the technical expertise in fabric development, this can present problems. Machinery has to be taken out of production, losing valuable output, while designs are put together and run through.

John Claridge, who has himself worked as a decor and costume consultant at Covent Garden, Glyndebourne, and in West End theatres as well as for a number of textile companies, developed his laboratory approach to design after purchasing a Scottish mill which had closed down in 1973. The company has been able to draw on the pool of skilled wool textile workers in the area and employment has been built up to more than 40 people. A move has since been made to new premises.

The design and development system means that the big manufacturers who used John Claridge, such as Jackson the

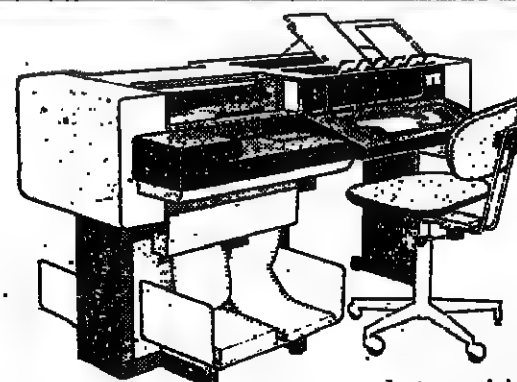
Tailor, are not entirely dependent on cloths designed in house, or shown to them by their wool textile suppliers. Instead, after deciding what they will take from Claridge, they can go to the cloth manufacturer and ask for a particular cloth to be made up according to specifications developed and tested at Selkirk.

This gives the tailoring groups the ability to offer relatively small-run exclusive lines to supplement their more popular ranges. It can also relieve smaller companies of the problem of having to research the market and keep permanently up-to-date on new design ideas.

Apart from Jackson, most of Claridge's business in men's suits is done with overseas groups including Oxford clothes in the U.S., A and N Mutsaers in the Netherlands, and Belvest in Italy. The weaving equipment used in the mill has been designed to enable a wide variety of designs to be developed in different materials. Thus apart from wool and wool blends for the men's trade, Claridge whose minimum consultancy fee is a hefty \$10,000, also produces designs in fabric form for Jaeger, and the Stephens Brothers, a shirtmaker within the Courtlauds group.

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TUESDAY, SEPTEMBER 28, 1976

# Illusions at Blackpool...

MR. Anthony Wedgwood Benn performed a useful service yesterday. In his speech at the Labour Party conference he pointed out one of the most important reasons why holders of sterling, potential foreign investors and the business community in general are nervous about Britain's economic future. This is not just a matter of the Government's record, though this has been enough—the squeeze on industry's liquidity (corrected just in time), the virtual extinction of financial incentives for middle and senior management, the plethora of legislation designed to enhance the rights of trade unions. Much more basic has been the uncertainty over the very framework in which business has to operate—an uncertainty that lies at the heart of the Labour Party's divisions that Mr. Callaghan has been at such pains to paper over.

## Socialism

Mr. Wedgwood Benn has no doubts. For him, our economic troubles reflect the failure of capitalism; the answer is to replace capitalism by socialism. He told the conference that the Party must not appear as though it was merely trying to "salvage the system that has so manifestly failed in the past." The Party had paid a heavy political price for the twenty years in which it played down its criticism of capitalism and "soft peddled our advocacy of socialism." He recalled the fervour of 1945 when the Party had swept all before it in pursuit of socialist policies. The Party must reaffirm the policies which succeeded in 1945—the commitment to full employment, public ownership and the welfare state—and extend them in new ways.

Mr. Wedgwood Benn has learned nothing from the history of the past twenty years (for example, the consequences of nationalisation), nor even from the more recent experience of his own failures at the Department of Industry. He continues to parade the same slogans—the need to channel more savings into industrial investment, the notion that worker democracy will solve the country's labour relations problems—in blithe disregard

# ... and reality in currency markets

WHILE Labour Party delegates applauded Mr. Wedgwood Benn and worried about long-term targets for growth and unemployment, and trade union leaders congratulated themselves on their willingness to accept some cut in real incomes, the Prime Minister was reported to be receiving hourly bulletins on the state of sterling. A party conference is not a forum in which a financial crisis can be tackled in any practical way; but it is surely one in which its existence should be recognised. The fact that the persistent weakness of sterling is a threat to all the Government's short-term objectives, let alone its long-term ones. The effect on domestic prices, it is now conceded, means that inflation will be a good deal higher than the planners of the trade union movement had hoped; its effects on interest rates must slow down any recovery of investment, if it does not halt it altogether.

## Fall in wages

The most fundamental reason for the pound's weakness is that the Government has not been able to adjust to reality fast enough. No doubt it took great efforts to persuade union leaders to accept a prospective fall in real wages of two per cent., but at a time when the country was living above its means by a somewhat greater percentage, the effort was inadequate. Mr. Healey has often argued the humanitarian case for tempering the recession through a very large though supposedly temporary Government borrowing requirement; but he has not persuaded foreign holders of sterling to support this policy. The market's verdicts are merciless and effective: through the foreign exchange rate, the market can and does impose reality, in terms of high interest rates and lower living standards in larger doses than the Government may choose to prescribe.

If sterling were simply a trading currency, held abroad only for trading purposes, such

market verdicts might be limited in their effects; it seems to have proved easier, for example, to check the depreciation of the French franc and the Italian lira at moments of political stress than of the pound sterling.

## Restraint

The fact that sterling is a reserve currency therefore imposes extra responsibilities on the authorities. The consequences of any failure in policy, either in Government strategy or in technical management, can be immeasurably greater. The idea that holders of sterling, who have already experienced losses of nearly 20 per cent. this year, will suddenly renew their faith because the currency appears to have reached a temporarily realistic level, or because the Chancellor or the Prime Minister makes statesmanlike noises, look more and more like wishful thinking.

What Labour's delegates need to be told is that there can be no sustainable long-term strategy until the immediate crisis is resolved—a resolution which, as experience shows, becomes more expensive with every month of delay. That means effective monetary restraint, and, in the short term, lower living standards. Most of the necessary policies, including measures to stabilise the sterling balances, will in any case have to be adopted when the assistance of the IMF is, after so many costly delays, called in. The Government can either try to lead its followers to an acceptance of reality, or be seen to have realism imposed on it from outside.

To take the passive role is not simply to invite disillusion from Labour's supporters, but to foster all the absurd myths which the Left can so easily propagate in such a crisis—the international financial "plot" against Socialism, which "answer" is a siege only for trading purposes, such

After the Semiramis battle Richard Johns in Beirut assesses prospects of taming the guerillas.

# President Assad's subtle game in Lebanon

THE BATTLE in the missiles against an Israeli Semiramis Hotel in Damascus flanking movement in the east and the public hanging event of war.

Over the past year close co-operation and friendship with incidents that have broken the Jordan has become a well-established fact of Syrian military and economic policy. For years security has been tight and effective, albeit unobtrusive, but recently a number of bombs have been exploded. The Government of protection on its southern flank. Imperceptibly, meanwhile, the plan is that a recon-stituted Lebanon would be brought more into confrontation with Israel—but not sufficiently far or fast to provoke retaliation. Already, according to left-wing sources in Beirut, SAM missile batteries have been set up in the south of the Bekaa valley, little more than a dozen miles from the border.

Now, however, it may be said that the conflict between the Palestinians and President Hafez Assad of Syria has been brought right up to his own doorstep—even if at the instigation of the rival Baathist regime in Iraq. It appears that the outrage was planned by "Abu Nidal" (a nom de guerre) who was expelled from Al Fatah, the mainstream Palestinian Guerilla group, five years ago, and who belongs to the "Rejection Front" settled in Baghdad.

Whatever the truth, President Assad will almost certainly use the affair as a justification to clamp down in Syria itself on the Palestinian movement with which President Assad has been in increasingly acute confrontation since February. In the meantime it would be rash to draw any conclusions about possible repercussions affecting his position internally or his determination to pursue his objectives in the Lebanon. Having engineered the installation of Mr. Elias Sarkis as president of Lebanon last week, the indications are that President Assad will press on more relentlessly than ever.

President Assad's strategy has become progressively more apparent. Having last year assisted the Left to help alter the status quo, he has since rectified the balance and worked towards the creation of a Lebanon more amenable to longer-term Syrian interests. His aim is to increase the influence of Damascus and its indirect control. As a corollary, the strength of the Palestinian guerrilla movement and the Lebanese Left must be reduced so that they cannot drag Syria into a conflict with Israel at a time not of its own choosing.

The ground would thus be prepared for negotiations with Israel in the framework of the Geneva peace conference. If and when it is convened, Syria could enter into negotiations fortified by an "Eastern front" based on close collaboration with Jordan and Lebanon. The plan is that they should give military cover, particularly by installing anti-aircraft



President Assad of Syria.

most critics in the party and the armed forces that Syria's mission is both honourable and necessary. His command over both the forces and the Baath is said to be as strong as ever. In that context the replacement of Mr. Mahmoud al Ayyoubi as Premier by Major-General Abdul Rahman Khleifallah early in August was of no particular significance. It was mainly a move to strengthen the internal administration.

On the foreign front, Syria may seem as isolated as it was when the Syrian army moved into Lebanon on June 1. One division of the army remains deployed on the Iraqi border. The vitriolic dispute with Egypt originating in the second Sinai disengagement agreement but embittered by the Lebanese civil war continues despite the agreement of the two countries' premiers in July to cease propaganda.

Until the Semiramis battle at least Syria had become far less sensitive than it had been about Iraqi hostility, though following the bloody affair a marked deterioration of relations can be expected. The need for rapprochement with Egypt is recognised in Damascus and the Egyptian dispute with Libya has been a welcome diversion. In the meantime, while allowing the Arab League mission set up for Lebanon to continue its work and, indeed, availing itself of the good offices of Mr. Hassan Sabri el Khail, the Arab League mediator established in Beirut, Damascus has kept the initiative in its own hands. For the time being the 2,500-man joint

peace-keeping force remains passively at the airport and the contingent on the Beirut "green line" is powerless to protect the crossing point between the Christian and Moslem areas.

Moreover, President Assad has been able to survive Soviet displeasure caused by his confrontation with the "progressive forces" in Lebanon, and even obtained a measure of grudging, if unspoken, acceptance of his policy. According to East European sources, in Beirut, Moscow has not cut off supplies of military spares, nor will it do so for fear of another humiliation like the one experienced at the hands of President Sadat in 1972 when the Soviet advisers were expelled from Egypt. Apparently anxious to salvage its declining influence in the region and not to be associated with a defeat, the Soviet Union earlier this month sharply reproved "ultra-left elements among the Palestinians and left-wing groups in the Lebanon for rejecting all peace proposals."

Through its military pressure on Tripoli and Sidon, Syria has put the Palestinian-Left alliance on the defensive. At the same time President Assad has been working hard—though with uncertain success so far—to drive a wedge between it and the traditional Moslem leadership which has been trooping to Damascus for consultations. Last week he could congratulate himself on the formal elevation of Mr. Sarkis in the presence of 87 of the 99 members of the Lebanese National Assembly.

The crucial challenge that must be met and overcome by President Assad is posed by the 1,200 Palestinians and Left-wing supporters in the mountains on the east of Beirut around Rammana, adjacent to and not far from the further point of the Syrian advance in the central sector at Solar. The presence of this guerrilla force on Mount Lebanon since April, when it occupied the area, has been a crucial issue since April, when President Assad called Mr. Jaballat to Damascus and demanded its withdrawal at a meeting which degenerated into a shouting match and probably damaged relations between the beyond repair.

Peace talks held at Shiban on September 19 broke down over the issue of that force. Mr. Sarkis and Major-General Na Jamil, Syrian Deputy Defence Minister, insisted on the Cai accords and a withdrawal from the mountains. Mr. Arafat insisted that the fighters could only be removed as part of a general settlement and in return for a Syrian pull-back to the Bekaa valley to the east. It is surprising the Palestinians at refusing to throw away the trump card. The force consists predominantly of members of the Palestine Liberation Army Egyptian-trained Al Jallio Brigade, which defected to the Left in March. The men are well-versed in defensive tactics and deeply entrenched with artillery pieces and portable anti-aircraft missiles. Winning them out of their fastness would involve a major operation.

However, notwithstanding consolidation of the domestic front, the general belief is that President Assad cannot risk the unrest which military loss would arouse, and that he will insist that only the right-wing Christians do the fighting, limiting Syria's role to giving artillery support. Although the are coo-a-hoop with their capture of Tel Al Zatar refugee camp, Phalangists and allied groups can hardly contemplate what would be a bloody and probably impossible task.

This predicament would one factor encouraging President Assad to seek a reconciliation with President Sadat. It is appreciated in Damascus that an Egyptian co-operation agreement will probably be necessary if there is to be lasting settlement in Lebanon.

President Assad was preparing last Wednesday to leave for the summit of Syria, Egypt, Saudi Arabia, and Kuwait before President Sadat demanded postponement on the ground that Mr. Sarkis and Mr. Arafat should participate. In some form, a restricted meeting must take place and a measure of reconciliation be achieved if the full scale meeting of Arab leaders called for October 18 is to materialise. But even if Egypt ceased giving active support, the alliance of the Palestinian and the Left, which can still rely on Iraq and Libya, their men in the mountains could hold out from the further point of the Syrian advance in the central this tough nut.

# MEN AND MATTERS

## Luckin's bridge exports

If Ivan Luckin has his way it will only be another year before tourists are taking afternoon tea on the central span of Tower Bridge hundreds of feet above the Thames. Opening the bridge to trippers is yet another scheme to come from the inventive brain of the man who sold London Bridge to Arizona's Lake Havasu (where the locals originally thought they had bought Tower Bridge) and is now trying his international sales techniques on two superbly built engines, the ones which for years have been raising and lowering the Tower Bridge roadway and have now been replaced by modern, push-button machinery.

Luckin, who has spent most of his life selling newspaper advertising space and more recently in running a wall-chart business, is a City of London Councillor. Yesterday he pre-

sided at a South Bank demonstration of the machinery and a working model of the bridge. The whole package should fetch £250,000, which goes into the Bridge House Estates trust fund for future bridge works. Export income for the fund makes a change from former days when travellers, delighted that they could ride across the river rather than make the trip by ferry, used to leave money to God and the Bridge in their wills.

Luckin believes in putting the more trust in marketing than on the gratefulness of travellers. A glossy brochure is being sent to our embassies and consulates around the world for distribution to likely buyers of the gleaming machinery. "I hear a rumour that the Arabs are very interested in industrial archaeology," says Luckin. But his main hope is the Americans. Though still in impressive working order, the machines—a steam pump and a hydraulic engine—would need more than



some oil sheikh's lift to keep them occupied. They weigh about 80 tons and have spent their lives lifting the 2,000-ton bascule leaves of the bridge.

Luckin reckons it took him three years to convince his colleagues they should sell London Bridge, and five that they could sell the Tower Bridge engines. No, he does not have his sales eye on anything else. At the moment.

## Good to see PR's crouching proper

I have just received my first Christmas card (see left) not so much to wish me out-of-season compliments, but because the original recipient found it funny. So do I.

For those who do not know, my picture is a heraldic crest and is: "The Arms of the Public Relations Consultants Association," granted in May of this year, and it graces the front of that association's 1976 Christmas card.

I won't bore you with all the heraldic details, but the bird on top is "an ibis crouching proper" (I should think so too). Odham's Illustrated Encyclopedia says of the ibis: "Wading bird, related to the herons and storks; enjoyed great reverence in ancient Egypt for having saved the country from plagues." Of journalists perhaps?



## chairman of the National Enterprise Board.

Apparently it was suggested that design council teams should scrutinise the products of companies that approach the NEB for money. Ryder expressed some interest in the scheme when Caldecote mentioned it, but so far he has not actually taken it up. It is understood that one reason for this is that the Design Council has not forwarded any written details of its proposal and the NEB feels unable to act on any suggestion that is not down in black and white.

It is also thought that even if the scheme is eventually introduced the NEB will not consider it necessary to force companies to have their product designs examined. Everything would be on a strictly voluntary basis.

Questioned about the NEB's procrastination, Caldecote was quick to say that he had not meant to imply any criticism of Ryder or the workings of the NEB. "Lord Ryder assured us he would seize the opportunity to make a public statement on this," he said.

## How wise—and wiser?

One Sussex parish magazine has been in good form lately. "The ladies singles final," it reported, "was won by Miss — in two straight sets: 6-4, 6-2. She was in great pain because of a nasty wasp sting but she refused to scratch."

Then again: "Tickets for our cheese and wine party on Friday, October 8 (including a performance by members of the choral society) are now available, price £1.25. If you are unable to come yourself, why not buy tickets to give to those less fortunate?"

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key to distribution is increasingly by road, and it is here that Northampton scores! It's right beside the M1 motorway and only 20 miles from the M1/M6 Junction.

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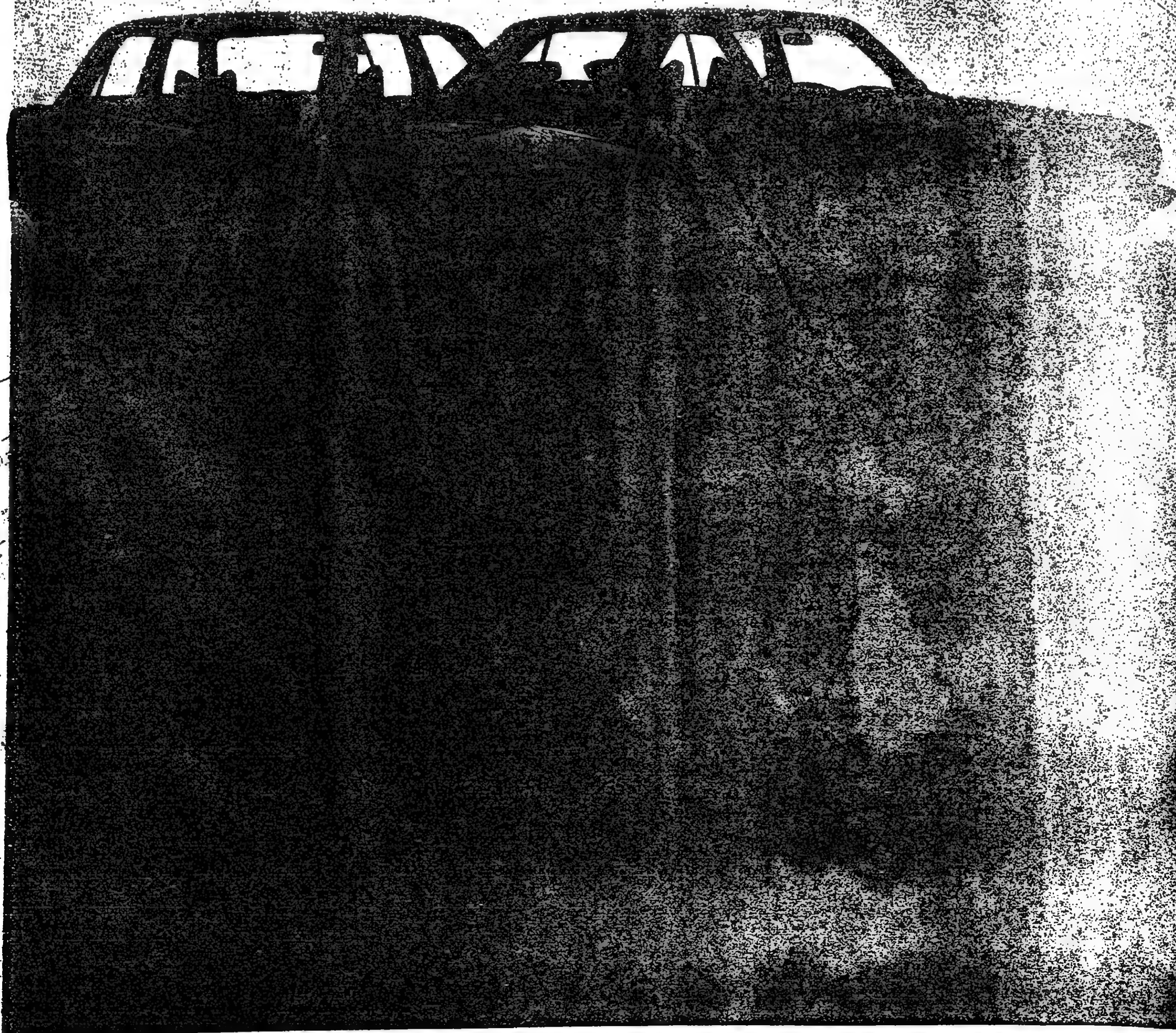
If you're interested in what Northampton has to offer, write to L. Austin-Crowe BSc FRICS, Chief Estate Surveyor, Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734.

Observer



ADVERTISEMENT

...all other new cars will seem a little less new.





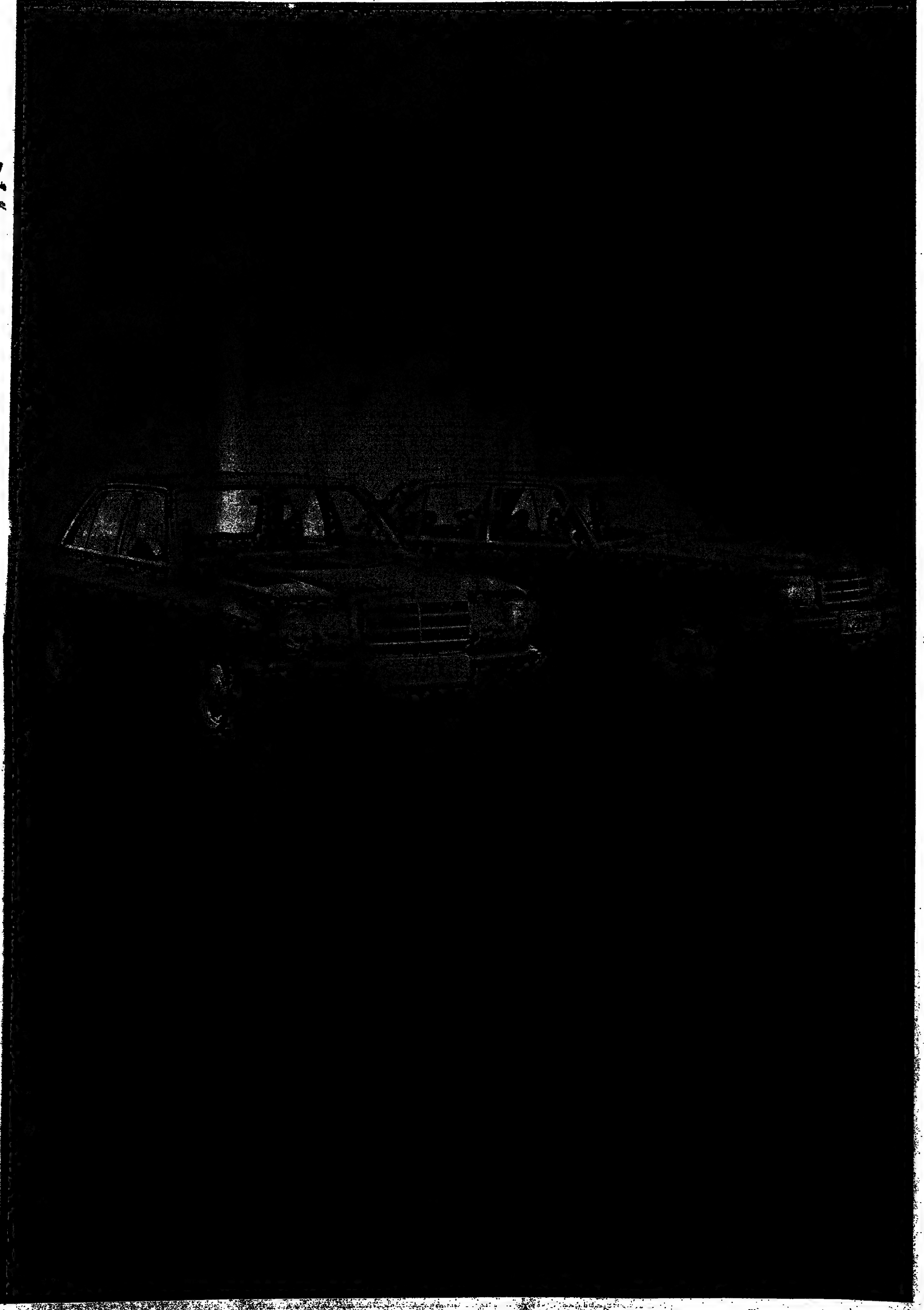
# The new range from Mercedes-Benz.

Seven cars to succeed the legendary Mercedes-Benz 200 to 280E range. They set new standards of engineering, comfort and safety others will find difficult to emulate.



5-10-15

-Benz





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But time is essential if you're creating seven new cars that can safely carry the name Mercedes-Benz.

**Seven different cars with a lot in common.**

Every make of car should have the care and attention that we lavish on a Mercedes-Benz.

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Whether you choose one of the four new petrol cars or three new diesels, you'll get the same reliability, flexibility and staying power from the engine.

At the front is our renowned double wishbone, coil spring suspension, and at the rear a diagonal swing axle, so you stay on the road, rain or shine.

And to keep you on the straight and narrow, even if a tyre bursts, there's zero-offset steering.

**As usual, we've paid scrupulous attention to detail.**

From headlights that can be adjusted to suit the car's load to a bonnet that rises through 90 degrees, which every mechanic will thank you for, the few times he gets under it.

Inside there's more space, more seat support and, behind you, loads of room in the boot.

Finally, we've given the cars a new modern, elegant styling designed to last as long as the cars.

**Mercedes-Benz is synonymous with safety.**

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First there's "active" safety to help keep you out of trouble. This includes responsive controls, exceptional roadholding and all-round visibility, dirt-resisting lights and rain-diverting channels on the front windscreen and rear window.

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And make the road a safer place for everyone.

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In the three diesels, the four cylinder 200D and 240D and the five cylinder 300D, all give an extra saving on fuel and maintenance.

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240D	4	65	82.46	Four speed all synchromesh gear box. Power assisted steering. Central locking system.	£6,565
230	4	109	102.30	Power assisted steering. Central locking system. Automatic transmission. Heated rear window.	£6,375
250	6	129	108.50	Automatic transmission. Power assisted steering. Central locking system.	£6,965
300D	5	80	88.66	Power assisted steering. Central locking system. Automatic transmission. Tinted Glass. Heated rear window.	£7,600
280E	6	177	120.90	Power assisted steering. Central locking system. Automatic transmission. Tinted Glass. Heated rear window.	£7,990

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مركز من الأصيل



CIETY TO-DAY: THE BRITISH SICKNESS

BY JOE ROGALY

# The real reason for sterling's slide

UNDAMENTAL explanation of the continuing fall in the value of sterling is not to be found in a study of the international markets, or a re-examination of the principles of psychology. For the disease is one of the only an unprecedented political will, or less, a change in the manner in which the government has conducted its affairs. Until there is such a change, the pound is a bad buy. The members of the present government have found this hard to understand. Seen from the view of the Cabinet has remarkably successful in its trade union agreement policy of wage restraint, even the recent agreement of the National Union of General Workers in how to steer around awkward corners—in contrast to the last Conservative government's handling of the workers. Since the referendum entry into the European Market last year the Government has been both to itself and to the Left-wing enthusiasts as a failure of the road if not a complete administrative failure. The successive withdrawals planned future increases in public expenditure and the of Mr. Callaghan this has become even more clearly defined, to the extent over the past few months than one admiring voice has heard in the City and fashionable phrase has been "could the Tories do it?"

has been going on throughout the summer is on the above lines will no doubt applaud Mr. Callaghan's much publicised dressing-down of Mr. Reginald Prentice on Sunday. For their belief is that if a Right-wing Minister makes a speech that attacks the Left he puts the entire strategy in danger (although Mr. Benn defends his own policies on the radio that is quite all right). Thus, Mr. Prentice's speech, in which he described the National Executive Committee document "Labour's Programme 1976" as partly an "Alice in Wonderland exercise" was regarded by the Prime Minister as something that might hamper his efforts to neutralise the Left at this week's party conference in Blackpool.

## Expensive

The truth is that Mr. Callaghan's strategy deserves to fail, just as Mr. Wilson's strategy, and Mr. Heath's before that, deserved to fail. Mr. Heath began by following the tenets of his own section of the party, and ended up doing his insufficient best to jolly the trade unions along. The two succeeding Labour Prime Ministers bid a little higher, and, in an attempt to preserve party unity, tried to minimise those actions that might further enrage the Left. These strategies have been very expensive; they have all resulted in muddle; they have all contributed to the collapse of confidence; and between them they have all accelerated our national decline.

The disasters perpetrated by the 1970-74 Conservative Government have been analysed often enough; there is no further need to draw the necessary lessons now. But the

corrosive danger of the present Labour strategy seems to be less widely understood, since too many people appear to be willing to accept the wage-restraint policy without considering the bill, and there are still those who see Mr. Callaghan as a doughty figure who will take no more nonsense from his party's Marxists if only he does there will be no chance at all of winning the next election.

It is at this point that the message made spelling out. Winning trade union acquiescence to wage restraint is not cost free. Keeping the Left at bay, but within the Labour Party, is terribly expensive. For both prongs of the strategy involve concessions—not merely marginal adjustments, but major concessions of principle that are both indefensible in themselves and unwanted by the great majority of the voters.

Some of these costs are well enough known. The closed shop, which denies to individual workers the right to choose whether or not to belong to a trade union, is being actively encouraged, with nationalised industries creating martyrs to this obnoxious principle by the score. Yet there could be no deal with the TUC without the closed shop, so closed shops there must be. What the Government did not stop to consider was that there is division on this matter among the TUC leaders themselves: Mr. Jack Jones, for example, is distinctly lukewarm on the policy. If the Cabinet had stood on principle the result might have surprised some of its members.

The nationalisation of the shipbuilding and aircraft industries is one of a series of such



Mr. Prentice on Labour's Programme 1976: "partly an Alice in Wonderland exercise."

measures that has minimal support from the electorate: every poll shows that State ownership is opposed by overwhelming majorities every time. Yet this, presumably, is part of the price of jollying the Left along. Mr. Callaghan has declined to accept the proposal that the banks and insurance companies should be nationalised, but who knows what intermediate compromises may now be

tailored in such a way that the Left, as distinct from the unions, will not be too outraged.

For example in a recent series of speeches Mr. Peter Shore has been expressing aloud his thoughts on housing policy, such of what he has to say shows a welcome awareness of some of the costly idiocies of the way housing is now being managed. The sale of council houses is not absolutely condemned: there is a word for the mortgage holder and a hint that the legislation affecting private landlords might be a little too tight. A social democratic Government unencumbered by the need to jolly the Left or the unions along might be able to build upon such thoughts a new policy that would house many more people in greater comfort, at less cost, than anything now dreamed of. But the compromises, and the waterings-down, and the changes of emphasis, have already begun to surface within Mr. Shore's department: modified phrase may be due for the intention, but it is natural to have strong doubts about the execution.

Again, the midsummer cuts in proposed public expenditure were not tailored to any notion of the proper amount to spend, or the best method of extracting maximum efficiency from every pound paid out on the taxpayers' behalf. The procedure was: start with what the outside bankers apparently want, move as close to that as the trade unions and the Left will allow, and raise the rest by means of a payroll tax administered through the national insurance administration. Now that it has become increasingly likely that yet further cuts will be needed the unions will have to say and a theory is: the Party will stand for no more.

In every institution the story is the same. Cuts in the NHS are not a matter of economy, but of politics and psychology. Standing against yet further increases in the cost of local government is thwarted by the trade unions whose members in local government are the mainstay of their existence. In such circumstances there is no sane way of devising policies that we ourselves could believe in, let alone convincing outsiders that the sadly misnamed United Kingdom is at long last on the mend.

## Cannibal

It is this that is the abhorrence around the neck of the Ancient Mariner of Number 10 Downing Street, not the National Executive Committee's proposal to nationalise banks and insurance. Mr. Callaghan suggested last week. For the policy of jollying the Left along has become too destructive to be tolerable. The Marxists among them will never be satisfied: you can, perhaps, win a respite from a potential cannibal by offering a finger or even an ear, but he will soon be back for an arm, or a leg.

Some people take an opposite view, arguing that keeping the Marxists inside the Labour Party has effectively neutered them; this, they say, is why Britain has not suffered a revolution in modern times. Our visible Communist Party is insignificant by comparison with the French or Italian parties, and our Trotskyite or Maoist parties may have a nuisance value but they are not much of an electoral threat.

This argument is based on too pessimistic a view of the British electorate. Even with the present electoral system it is doubtful whether a revolu-

tionary party of the Left could make any headway, and as for harnessing the unions to its cause the sober view—that most trade unionists would not tolerate a Marxist TUC for very long—is probably the correct one. What would, in my opinion, sweep the country would be a genuinely social democratic party which did not pander to the Marxist Left and which declined to bow down before overwhelming trade union power. So far the Conservatives have shown themselves to be very far from any such thing (although one should not judge their forthcoming statement of principles in advance), while Labour has persistently preferred spurious unity to real service to the country and the Liberals have been frustrated at the polls.

Those who see hope in one of the main national parties in existing circumstances deserve a medal for their optimism; for my part I cannot imagine any real change until the parties change. Last week two former Speakers, Lord Maybrick-Kinn, who was in the chair from 1963 to 1970 and Lord Selwyn-Lloyd, who retired as Speaker earlier this year, pointed out part of the way when they became joint presidents of the National Campaign for Electoral Reform. The Scottish campaign for proportional representation in the proposed Assembly is now under way, with all-party support in Scotland. These campaigns could move the first few lines from the map; Celtic separatism could move several others. But it is only when such momentous changes take place, with new institutions and new parties to work them, that we will be able to look forward to the long slow climb back to a rational Government.

## Letters to the Editor

### Overland trade

Mr. M. Jepp

—Due to the inability of Government to relate the value of overland trade routes to its balance of payments, the importance of a British international haulage industry, millions of pounds worth of capital equipment in the shape of vehicles is lying idle in the U.K., Britain's valuable export orders to the Department of the Environment is reduced to acting sales agent for the German Railways.

A full importance of this is not yet seen, as the season has reduced the output. When exporters that most of the routes are closed or so congested delivery dates have become impossible to meet, they wonder how many men off after contract cancellations and where they are to find money to pay the penalty.

A problem is that the Huns have stopped issuing permits and the Austrian Italian permit allocations are low that they do not cover J.K. export requirements to countries, let alone the ideas wishing to pass through, my large export contracts priced after the Government had given assurances that there would be no permit problem with the Eastern Bloc, relying on a low priced transit with a transit time of approximately two weeks. Now exporters either cannot get goods through at all or only a hopeless delay and an inflated price.

A freight forwarder, the alternative open to me is foreign (especially Eastern) hauliers. The situation is now as follows: British hauliers holding the permits must put up with delays in case they have to change vehicles up. Those who have the right of trailers can get through and paying German hauliers a vastly increased price—this is the only route which the DOE can issue permits.

The alternative is to ship cargo to foreign ports, from which the Government holds responsible for the results are that British goods cannot get through, they are less competitive and are losing money and jobs. This, and our Government, not even get an answer from the hauliers, whom the Government holds responsible for the results are that British goods cannot get through, they are less competitive and are losing money and jobs.

L. Jepp, Freight Services, House, The Dock, Lowestoft, Suffolk.

### No pounds for ponds

Mr. R. Webster, In the Financial Times September 23 the Country

Landowners appeal for aid to store water on farms.

Your readers may be surprised at the following. My farm pond having silted up with mud over the years, went dry during the recent dry weather.

On enquiry I was told that no grant was available for cleaning ponds but grant aid was given for filling ponds with hard-core.

I had the pond cleaned at my own expense, and it now holds thousands of gallons of clean water, sufficient for my thousand or so sheep, even if it is another dry summer next year.

R. C. Webster, Pound Farm, Springfield, Dorset.

### Unfair to some

From D. Franklin

Sir—The foreign exchange allowance of £300 does not go far nowadays, but we understand the reason for continued restriction. Should not any rationing system however fall equitably on all citizens? The purchaser of a "package-holiday" may get all his travel, accommodation, and food in addition to the £300, the motorist receives a small bonus to it in respect of the rail travel he does not need, but the independent tourist gets no extra in respect of any living costs or local travel which cannot be paid for here.

To say that "most people buy package-tours" is hardly an answer when the whole system is designed to force them to do so. To say that "few people spend over £300" hardly satisfies anybody planning a longer "once in a lifetime" trip.

Package-tour operators are doubtless excellent people but is this adequate reason for official prejudice in their favour to the disadvantage of the mountaineers, walkers and campers who prefer not to contribute to their profits and are the main sufferers from the present arrangements?

D. Franklin, Mungford, Dorset, Isle of Man.

### Roads in Britain

From the Deputy Director, British Road Federation.

Sir—Mr. Joe Rogaly has taken a completely rational view of transport and his article of September 21 was a balanced analysis of current policies and issues raised by John Tyne in his disruption of public inquiries.

It would like to respond in the same vein and comment on Mr. Rogaly's suggestion that the Government should stop building roads until it has made up its mind over a long-term transport policy.

Landowners appeal for aid to store water on farms. Your readers may be surprised at the following. My farm pond having silted up with mud over the years, went dry during the recent dry weather.

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### Car market shares

From Mr. P. Lewis

Sir—Your motor industry correspondent, Mr. Terry Dodsworth, wrote an article on September 7 concerning the alarming percentage of the British car market which the importers are taking.

While I would not deny that this is so in general terms, it is a little misleading. Mr. Dodsworth certainly makes the first point concerning cars sold by "British" companies which are being constructed abroad, that is the Alpine, Cavalier and a number of Fords. This increases the importers' share of the market by some 5 per cent.

The second point is that alarmists among us think the world at end when seeing such a high figure as 40 per cent. The fact of the matter is that August is the time when private motorists change their cars and traditionally imported cars have always been popular with the private as opposed to business motorists. So, in August 1975 and 1976 the market shares for the importers were 39.67 per cent and 38.41 per cent, respectively. January, however, presents a quite different picture insofar as it is then that the businessman, for financial reasons will change his car. The market shares for 1975 and 1976 being 32.12 per cent and 31.79 per cent, respectively—in fact a decrease this year!

It is, one must admit, easy enough to juggle figures but in this case I would suggest that the one cancels the other.

P. R. Lewis, Manager, Citroën Cars, Hill Street, Slough.

### Airline back-up

From Mr. P. Verstage

Sir—I am afraid Mr. Norton (Sept. 23) is perpetuating a common myth. It may well be true that British Airways has twice as many employees per passenger than United Airlines, but the notion that this comparison on its own proves inefficiency or overmanning at British Airways is patently wrong.

One of the major factors determining the size of any given company's payroll is surely the degree to which they use sub-contractors in their day to day operations. For example, does Eastern actually own a fleet of buses and employ a large number of drivers to transport passengers between the airport and the town terminal? Likewise, do its door-to-door air cargo deliveries and collections go via its own fleet of trucks, or does it contract a local transport company? Any company can reduce the number of employees on its payroll by seeking to use its own staff for various operations and contracting out the work to other organisations, but this per se has no bearing whatsoever on that company's efficiency.

P. H. Verstage, Melkvale Export, 354, Kensington Road, S.E.11.

### Where punters always win

From the Managing Director, Lawson Securities.

Sir—Judge Lawson, QC (no relation to the writer) has been dealt another blow in favour of reducing the level of activity and confidence in unit trust dealings (September 23).

Must unit trust managers and their dealers now assume that every order is dubious until the cheque is finally cleared and that contract notes, issued by

## To-day's Events

GENERAL Prime Minister addresses Labour Party Conference, Blackpool.

Chief executives of shipbuilding, repairing and marine engine companies hear report on organising committee's work at meeting in London.

Workers' committees of Manbury and Garton and Tate and Lyle meet in Blackpool on jobs position following merger.

Christie's begins auction of 17,000 cases of Bordeaux wines.

Mr. Alexander Jarratt, chairman and chief executive of Reed International, at Practitioner and Advertising dinner, Painters' Hall, London.

Thames Water Authority meeting, New River Head, Rosebery Avenue, London.

Industrial Tribunal hearing opens on Mr. David McCalden's claim of wrongful exclusion from National Union of Journalists.

International Industrial Film Festival continues at National Film Theatre, South Bank, S.E.1.

Gwyn Memorial lecture on energy resources by Dr. Walter Marshall, deputy chairman, UKAEA, and chief scientist, Department of Energy, Institution of Civil Engineers, London.

PARLIAMENTARY BUSINESS House of Lords: Aircraft and Shipbuilding Industries Bill.

second reading, Stock Exchange (Completion of Barclays) Bill, Committee, Industrial Common Ownership Bill, Committee, Revision on Compensation for Green Howards.

OFFICIAL STATISTICS Housing starts, completions, and grants (August provisional).

COMPANY RESULTS Combined English Stores Group (half-year), Ready Mixed Concrete (half-year), United Newspapers (half-year).

COMPANY MEETINGS AYP Industries, Herbert House, 10, Abchurch Lane, London.

Lea Valley Trading Estate, No. 2, Albert Fisher, Kettering, 11.30.

Linford, Winchester House, Ex. 10.30.

EXHIBITIONS Environmental Health, Harrogate, 10.30.

International Paint, Birmingham, 10.30.

National Club Show, Manchester, 10.30.

Efficiency, Bloomsbury Centre Hotel, W.C.1.

Commercial Motor Show, Earl's Court, London.

SPORT Boxing: World heavyweight title fight between Muhammad Ali and Evie Norton, Yankee Stadium, New York.



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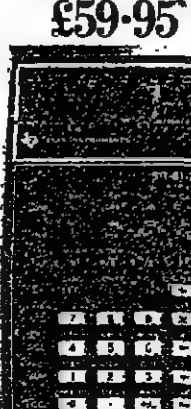
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# COMPANY NEWS + COMMENT

## Adwest £1m. advance in six months

INCLUDING THE results of Sealed Motor Construction, acquired in August 1975, profits of the ADWEST GROUP for the year ended June 30, 1976 have jumped by £1m. to £2.22m.

At half-way the profit was up £129,000 at £1.18m, and absorbed a small loss from SMC. For the full year SMC has contributed £923m, to turnover and £262,000 to profits, after deducting interest on the loan stock issued and the cash part of the purchase price. Overall group liquidity has improved despite financing the acquisition.

With the first full year of a reorganised SMC in the Adwest Group, the directors are looking forward to 1977 producing an improved profit.

The final dividend is 4.75p to raise the total from 4.30p to 6.30p. Earnings are shown at 26.1p (21.2p) and 21.6p (19.8p) fully diluted.

Adwest is a holding company of engineers, etc. serving the automotive, agricultural and industrial, electrical and engineering industries.

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Ancher Chemical	25	8	Low & Bonar	25	6
Armitage Bros.	25	2	Manders (Holdings)	24	8
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Fisons	25	4	Tarmac	25	6
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Footwear Industry	24	3	Whittington Engrg.	25	3
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## P. Bilton heading for £5.4m.

FOR THE current year the directors of Percy Bilton are looking for profits of around £5.3m. In the first half ended June 30, they report profits up from £2.32m. to £2.68m. and are confident that the second half will be just as good. The group is in a strong liquid position.

Although the demand for industrial factory and warehousing accommodation has diminished because of the economic position, the market has recently shown positive signs of improvement. Bilton is shortly to acquire a very large industrial development in a prime position within a few miles of London Airport, which will immediately produce a substantial rental income for the portfolio.

An interim dividend of 2.18p is declared, and the directors intend to recommend a final dividend of 3.22p. In 1975 an interim (and only) dividend of 4.02p was paid from profits of £4.94m. Net profit for the half year came out at £1.35m. (£1.38m.) and was derived as to 61 per cent. property investment, 16 per cent. industrial and residential development, and 23 per cent. contracting and other activities.

External turnover for the half year was £2.68m. (£2.62m.). Profit before tax was £1.35m. (£1.38m.). Taxation was £1.19m. (£1.15m.). Profit after tax was £1.23m. (£1.23m.). Dividend was 2.18p (£1.23m.).

Percy Bilton's 13.5 per cent. rise in pre-tax profit is mainly on the

back of higher rents received and there will be an extra £2.6m. to come in 1977-78 just at 1975 rent levels. But the picture could be changed by the new acquisition, details of which should be known later this week. It apparently involves development plus leaseback but whatever the package, Bilton has £2.3m. in cash, as well as unused loan facilities. Its gearing ratio of 63 per cent. at the last accounts (net debt to shareholders funds less goodwill) is not too far stretched, especially since loans are long term and at cheap rates. With a maximum yield of 5 per cent. against the sector's 8.5 per cent., the shares at 138p could go higher at a time when the fashion for industrial property is rising. Even at current levels, there is an 11 per cent. discount to outside estimates of asset value.

## FII up 17% to peak £0.72m.

AFTER RISING from £509,000 to £538,000 in the first half, pre-tax profits of Footwear Industry Investments finished the year to May 31, 1976, up by nearly 17 per cent. from £517,917 to a record £722,235 on external sales 16.3 per cent. higher at £5.35m. Reflecting an increase in share capital and comparatively higher tax, earnings are shown to have slipped from 8.8p to 8.5p per 10p share. A final dividend of 2.41p is recommended, the maximum permitted 3.57p.

Footwear Industry Investments has completed a year of steady profits growth with an increase of 17 per cent. on a similar advance in sales. It has not been an easy year for the manufacturing division, but concentrating on

women's fashion has avoided the worst competition from cheap imports, which are mainly aimed at the menswear market. On the other hand the group's own menswear manufacturing unit had to face this competition, but because of its ties with Marks and Spencer it has come out rather well. Meanwhile cash balances are up on the £5m. of a year ago and though the group remains acquisition minded, suitable opportunities have not turned up. At 35p the yield of 16.5 per cent., covered 2½ times, is very fair compensation for a stock in a sector lacking in any real volume growth.

## 77% jump by J. B. Holdings

REPORTING an increase of 77 per cent. in first-half 1976 pre-tax profits from £504,000 to £894,000, the directors of construction and mechanical engineers, J.B. Holdings, say that second-half results should be comparable to last year's second half when profits were £1,013,000.

First-half earnings are shown to be up from 2.42p to 4.29p per 5p share. The interim dividend is raised from 0.4p to 0.48p to reduce disparity. Last year's final was 0.68p.

The considerable improvement in profit margin represents a measure of the increased operating efficiency say the directors. Improved results have been recorded by all operating divisions. The group has in recent years concentrated upon strengthening its liquid position and there are now adequate resources to take full advantage of any upturn in the U.K. economic position and of the considerable opportunities which exist overseas, they add.

All divisions at J.B. Holdings increased their profits, with the biggest rise from the building side (up 171 per cent. to £157,000) followed by a doubling of engineering profits to £461,000. The latter was civil engineering supplies with a 19 per cent. rise to £246,000. Exports on the engineering side account for two-thirds of turnover—and the contribution from associated companies explains most of the buoyant earnings. With the trend still continuing, profits for the full year should be over £1.8m. J.B. Holdings has a 1976 pre-tax profit of £1.8m. (£1.7m.), leaving the full year figure £1.55m. up at £1.73m.

The dividend total is lifted from 2.62p to 2.89p per 5p share. A final dividend of 2.99p per 5p share.

Turnover was £1,467,793 (£1,391,732). Profit before tax was £894,000 (£804,515). Tax was £38,871 (£36,288). Interim dividend was 0.48p (£23,760). Final dividend was 0.48p (£23,760). Retained was £78,335 (£41,331). Tax on reserves was £1,753,389 (£1,164,944).

The directors report that the current year has started well and although they will face problems they are confident that they are well equipped to handle them. The directors explain that the higher second half profit was due to increased sales both at home and abroad and the higher profitability of exports following the fall in the value of sterling.

During the year the directors have continued to invest in productive capacity in the furniture and carpet factories. The total sum now invested in capital projects over the last six years, together with what is planned for the current year, exceeds £2.7m. These investments have been funded out of profits without detriment to liquidity which is in a very substantially improved position.

The directors are actively seeking opportunities for extending the group into other areas of the furniture market and are in a position to take advantage of any situation that both fits the group's market image and adds to profit. In the furniture division turnover increased by 22 per cent. over the previous year's figures. Profits reached a record level. Export sales showed useful gains and were more profitable than in previous years. The company entered the current year with a satisfactory order book and the directors are confident of a sustained record of profitable growth despite some evidence of more difficult market conditions ahead.

The fabrics division has had a most successful year, turnover profits were again a record. In particular, export sales increased by 25 per cent. and full advantage of the strong competitive position of our goods in European and overseas markets is being taken. The overall market for carpets continued to be weak but an extension of merca weavers sales force generated a very substantial increase in sales. The directors have expanded weaving capacity and this will enable them to increase turnover and profit this year.

After a 30 per cent. pre-tax gain in the first six months Parker Knoll's growth rate has been doubled, the second half to leave annual profits 50 per cent.



Sir Maurice Laing, chairman of John Laing and Son, who announces first half profits up by £2.17m. at £3.15m.

DIVIDENDS ANNOUNCED			
Company	Current payment	Date of payment	Corresponding year
A.B. Electronic	3.47	Nov. 13	2005
Adwest Group	4.74	Nov. 22	0.81
Alpine Holdings	0.81	Nov. 22	0.81
Ancher Chemical	1.83	Nov. 13	1.49
Percy Bilton	2.19	Nov. 30	4.07
Cakebread Robey	0.23	Jan. 5	0.28
Fisons	2.42	Jan. 3	2.2
Forest Int.	0.44	Nov. 15	0.54
J.B. Holdings	0.48	Jan. 6	0.4
W. & R. Jacob	0.81	Nov. 29	1.23(b)
Laing (John)	0.51	Nov. 13	0.71
Manders (Holdings)	0.73	Nov. 22	0.63
Parker Knoll	2.1	Nov. 5	1.91
I.D. & S. Rivlin	1.17	Oct. 30	1.17
Sunlight Service	0.32	Oct. 22	0.30
Tarmac	3.62	Nov. 1	3.2
Telephone & Gen. Int.	3.16	Nov. 1	1.9
W. Walker	1.6	Nov. 24	1.3
Whittington Eng.	1.82(c)	Nov. 26	0.94
Willows Francis	1.9	Dec. 6	2.38

Dividends shown pence per share net except where otherwise stated. (a) Equivalent after allowing for scrip issue. (b) On capital increased by rights and/or acquisition issues. (c) For 14 months.

## Parker Knoll upsurge

IN THE second half of the year to July 31, 1976, pre-tax profits of furniture makers, Parker Knoll, surged ahead £0.2m. to £1.7m., leaving the full year figure £1.55m. up at £1.73m.

The dividend total is lifted from 2.62p to 2.89p per 5p share. A final dividend of 2.99p per 5p share.

Turnover was £1,467,793 (£1,391,732). Profit before tax was £894,000 (£804,515). Tax was £38,871 (£36,288). Interim dividend was 0.48p (£23,760). Final dividend was 0.48p (£23,760). Retained was £78,335 (£41,331). Tax on reserves was £1,753,389 (£1,164,944).

The directors report that the current year has started well and although they will face problems they are confident that they are well equipped to handle them. The directors explain that the higher second half profit was due to increased sales both at home and abroad and the higher profitability of exports following the fall in the value of sterling. During the year the directors have continued to invest in productive capacity in the furniture and carpet factories. The total sum now invested in capital projects over the last six years, together with what is planned for the current year, exceeds £2.7m. These investments have been funded out of profits without detriment to liquidity which is in a very substantially improved position. The directors are actively seeking opportunities for extending the group into other areas of the furniture market and are in a position to take advantage of any situation that both fits the group's market image and adds to profit. In the furniture division turnover increased by 22 per cent. over the previous year's figures. Profits reached a record level. Export sales showed useful gains and were more profitable than in previous years. The company entered the current year with a satisfactory order book and the directors are confident of a sustained record of profitable growth despite some evidence of more difficult market conditions ahead.

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After a 30 per cent. pre-tax gain in the first six months Parker Knoll's growth rate has been doubled, the second half to leave annual profits 50 per cent.

## Willows Francis leap

PHARMACEUTICAL group, Willows Francis has beaten both its profit and dividend forecasts for the year ended June 30, 1976. The pre-tax profit emerges at £230,660 compared with an estimate of not less than £150,000 and with a loss of £47,861 the previous year.

The dividend is 2.75p net, with a final of 1.75p against 1.25p forecast. The last payment was an interim of 0.36p in respect of 1975-76.

Turnover was £2,225,545 (£1,754,828). Profit was £230,660 (£150,000). Taxation was £11,336 (£7,541). Minorities was £11,336 (£7,541). Dividends were £2,367 (£1,754). Losses & Credits.

At the net attributable level the profit emerges at £102,223 against forecasts.

# ISSUE NEWS AND COMMENT

## York Water £1m. debenture

Brokers Seymour Pierce have completed a placing of £1m. of Mid-Sussex at 13.25 per cent. Looking at comparable stocks in the market only a couple of current year stocks are similar. The York Water debenture is payable half-yearly on January 2, July 1 with the first payment of £2.8178 due next January. The proceeds of the issue will be used to redeem £498,200 of Redeemable Preference Stock on September 30 and for capital expenditure.

The issue price of £10 is payable as to £25 on September 30 and £74 on October 28. Dealings start to-day.

After so long without a debenture issue it is surprising to see York hot on the heels of Mid-Sussex to last week. Admittedly the York issue has a longer date and carries a higher coupon, but yield comparisons are inevitable, and here York has a flat yield of 15.13 per cent. against 14.95 for Mid-Sussex, though the redemption

## Alpine down but expects to recover lost ground

DESPITE SUFFERING a sharp fall in profits from £370,000 to £26,000 for the 27 weeks ended August 8, 1976, Alpine Holdings expects to recover the year's total at not less than the £74,000 reported for 1975-76.

Chairman Mr. Alan Dyer explains that the result is due to installations in the period by Alpine Double Glazing being substantially lower than anticipated. This resulted from a somewhat lower than usual volume of orders on hand at the beginning of the year and from minor administrative problems, since rectified. The chairman says that he is able to be more optimistic as to the anticipated position at the year end because the volume of orders now on hand at ADG and the volume of installations currently being achieved, are at a record level.

Demand for ADG's products is still increasing and he expects the present wave of orders to continue. The industrial window company, has on the other hand, continued to face difficult trading conditions. The results from Alpine Dress, the line and Almal continue to improve and will undoubtedly contribute to group profitability in the current year. Century Aluminium (in which the group has a 54.7 per cent. holding) is taking advantage of improved conditions in the aluminium industry and both this company and Omadness, the associate in Northern Ireland, are trading at encouraging levels, Mr. Dyer reports.

The interim dividend is unchanged at 0.8125p net—the total for the year ended January 31, 1976, was 1.59p.

Turnover was £1,467,793 (£1,391,732). Profit before tax was £894,000 (£804,515). Tax was £38,871 (£36,288). Interim dividend was 0.48p (£23,760). Final dividend was 0.48p (£23,760). Retained was £78,335 (£41,331). Tax on reserves was £1,753,389 (£1,164,944).

After an announcement in July that Alpine was doing well, it is a surprise to learn that lower volume at this subsidiary is the main factor behind a 76 per cent. slide in interim pre-tax profits. Demand for double glazing has been down now about 20 per cent. higher than a year ago—and the group is looking for a second half profits increase of at least 63 per cent. The interim dividend, yielding a hefty 19 per cent. at 16p, roughly 17 times the cash position is the still strong and the main strength of the company's balance sheet. The suddenness with which the first half downturn occurred the shares are bound to be a nervous market.

## NAME CHANGE FOR GIMSON

J. Gimson and Co. of Fenton, Stoke-on-Trent, has changed its name to Norton Industrial Ceramics. Gimson has been part of Norton Company of Worcester, Massachusetts, U.S., since 1970. The name change will not disappear but it will be retained as a registered trademark to cover the traditional and established range of kiln furniture and other ceramic products manufactured by the company.

## Cableform gathering momentum

In his annual report to shareholders of Cableform Group, chairman Mr. C. P. Chourlianton says the improvement in sales and profits which started in the first quarter of the current year has continued at an accelerating pace.

For the year ended March 31, 1976, group sales were £1.61m. (£1.2m.). Profit before tax came out at £53,102 (£43,093), after a loss of £12,000 (profit £16,000) at half-way. The group makes control gear for electrically driven vehicles and trucks. Sales 64 per cent. of production was exported. The chairman says £13,690 temporary employment subsidy was

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11 August 1976

**BIDS AND DEALS**

**BET group offer  
 for Lovells**

International Ferry Freight, a subsidiary of British Electric Traction, is offering to acquire the 73 per cent of Lovells Shipping and Transport Group which it does not own in a deal which values Lovells at \$225,000. The Lovells shareholders will be offered £1.25 cash for each Ordinary share held.

But the Lovells Board, advised by Kleinwort, Benson say the offer is "unacceptable." It will communicate with holders after it has studied the formal documents. The managing holders are advised to take no action.

IFF is engaged in the international carriage of goods by means of containers and in international freight forwarding. It is already involved in joint activities with Lovells. The Lovells directors control over 26 per cent of the outstanding shares and the company itself, through a subsidiary, also owns 2.5 per cent of its own capital. Accordingly the level of acceptances at which the offer may be declared unconditional will be subject to a ruling of the Takeover Panel. Lovells's share price closed at 130p, up 3p.

**FITZWILTON £11.2M. SHARE SALE**  
 Fitzwilton, the loss-making Dublin-based industrial group, has sold its entire holding of 1,038,472 shares in National Mine Service, a U.S. coal mining machinery producer, to Chessie System, a U.S. railroad holding company, for \$18.3m (£11.2m), cash—\$18.12 per share. The money, which is not payable until October 14, will be used to reduce group borrowings.

The NMS shares, which stand in Fitzwilton's books at 37.9m, are held through a wholly-owned subsidiary, Thomas Dockrell & Co., and were bought in three tranches between January 1974 and May 1975 at an average cost of 88.9p per share.

**POWELL DUFFRYN ACQUISITIONS**  
 Powell Duffryn Shipping Services, a subsidiary of Powell Duffryn, is acquiring the shipbroking, chartering and shipping and forwarding business of Harris and Graham (Shipping) and T. P. Rose Richards (London) from October 1 for an undisclosed sum.

The acquisitions do not affect control and ownership of the Harris and Graham underwriting agency and insurance business.

**HOGG ROBINSON**  
 Hogg Robinson, the large insurance broking firm, has acquired Bloodstock and General Insurance Brokers of Newmarket for an undisclosed sum. Bloodstock and General specialises in providing a service in all areas of bloodstock, including racehorses, breeding stock, hunters and show jumpers.

**SHARE STAKES**  
 British Borneo Petroleum Syndicate advises that Consolidated Gold Fields holding (reported September 23) should have read 1,133,500 shares and not 1,333,500.

West of England Trust has acquired 3,844 Ordinary and 125,000 "A" Ordinary shares in Gateway Securities bringing the holding to 13.3 per cent.

General Ceylon (Holdings) announce that Mr. L. C. Topplin has acquired a further 15,000 shares and now holds 16.33 per cent.

**HOLLAS GROUP**  
 In accordance with terms of a contract dated July 25, 1973 between Hollas Group and vendors of the Fortwell Group, Hollas has allotted 112,500 Ordinary shares (credited fully paid and ranking pari passu with existing Ordinary shares) in satisfaction of the fourth (and final) tranche of the contract.

**ASSOCIATES DEALS**  
 Rowe and Pitman, Hurst Brown, purchased on September 20, 30,000 Ordinary shares in Abercrombie Properties (Manchester) at 74p.

J. Henry Schroder Wagg and Co. sold 5,000 Tanganyika Concessions at 173p on behalf of associates.

On September 22 W. Greenwell and Co. sold on behalf of an associate of Tate and Lyle 40,000 Manbre and Garton Ord. at 199p, and on behalf of Tate and Lyle bought 3,808,826 Manbre and Garton at 200p. In addition, Tate and Lyle purchased 50,000 Manbre and Garton at 200p.

Trafalgar House Investments now holds 1,090,540 (24.01 per cent) Ordinary shares in WGL Morgan Gramplan announces that it plans to acquire Messrs D. A. Abramson and S. P. M. Pegg are directors (being also directors of Morgan Gramplan). It has acquired a further 310,000 Ordinary shares and now holds 2,361,000 shares (23.01 per cent).

**G. Spencer's reasons for rejection**

The Board of George Spencer has sent shareholders in the company detailed reasons why they should reject the 35p per share offer from Nottingham Manufacturing. The document states that the bid price represents a 60 per cent discount on the group's net asset value of 87p in the last accounts. And adds that, following an independent valuation of the U.K. properties, a surplus amounting to a further 27p per share has been revealed.

The chairman declines to make a profit forecast but states that there has been a detectable improvement in the order book and that "sell out cheap to Nottingham cannot be in your long-term interests." He does, however, make a dividend forecast which will raise the payment by 15 per cent to 4.57191p gross per share for the year. The increase has the approval of the Treasury.

The directors, which have a combined holding of 17.5 per cent of the Ordinary capital, along with financial advisers County Bank, are calling on shareholders to ignore the Nottingham Manufacturing offer document. Shareholders, representing 11.3 per cent of the equity, have already written to the chairman stating that they intend to reject the offer.

**ELLIOT LAKE'S URANIUM PLANS**  
 Canada's Rio Algom, which is 51 per cent owned by Rio Tinto Zinc, has agreed to co-operate with an Ontario Government hearing into the expansion plans of the Elliot Lake uranium producers. The inquiry was announced last Thursday by the Province's Environment Minister, Mr. George Kerr.

At this stage Rio Algom is not clear what sort of information the Ontario Government wants but the company president, Mr. George R. Albino, notes that expansion will more than triple the company's workforce in the Elliot Lake community by the mid-1980s.

The population at Elliot Lake is expected to double in the next 10 years and Rio Algom is engaged in a house building programme. Similar steps are being taken by Denison Mines, which also has an active mining expansion programme.

Rio Algom, which has the largest uranium reserves in North America and contracts for uranium oxide running into the billions, expects to pay a dividend 1976, plans to increase milling of 45 cents (30.3p) for the year capacity to 7,000 tons a day from 4,500 tons by 1978 in the first phase of an expansion plan. Plans for the next phase are expected to be announced this week.

Denison is capable of milling 7,160 tons a day as a result of recent expansion and is considering an increase in milling capacity to 13,000-15,000 tons a day by the early 1980s. Shortage of manpower is a serious problem and training programmes are being extended.

**Pilbara unrest**  
 AS IF in response to last week's Japanese charge that labour relations on Western Australia's Pilbara iron ore mining belt were the worst of all Japan's suppliers, operation at the Rio Tinto-Zinc group's Hamersley mine stopped yesterday as the latest dispute between management and unions reached a crucial stage. Hamersley has just secured contracts to supply Japan with 60,000 tonnes of extra iron ore after 1978.

Our Perth correspondent reports that a series of disputes started earlier this month with a row over first-aid facilities. Hamersley's Perth manager says that the current crisis has been caused by "a jumble of inter-related issues that change by the hour."

Reaction to the strike has come swiftly in Tokyo, the Western Australian official says. Mr. Doug Leas, Slade rejected trade union suggestions that the Japanese are not serious in threatening to buy the Pilbara as an iron ore supplier.

**Oakbridge in new coal deal**  
 AUSTRALIA'S Oakbridge mining group and Pacer Development have reached agreement in principle for the joint development of the \$40m. (229m.) Coalex coal prospect at Volgan, north of Lithgow in New South Wales. Coalex has an agreement to supply Japanese steel mills with 8.5m. tonnes of coal over a ten-year period.

Under the joint venture deal Pacer will carry out a feasibility study of a mine capable of producing approximately 1m. tonnes of high fluidity coking coal per year and will arrange financing for the project. Production would be planned to coincide with the projected completion of the Rotary Bay coal loader in 1979. Oakbridge were 108p yesterday.

**MINING NEWS**

**Buffels facing lean times**

BY PAUL CHEESERIGHT

IN COMMON with other South African gold producers, Buffelsfontein of the General Mining group is braced against lower revenue and higher costs. Against a background of falling dividends, the chairman, Mr. J. C. Fritz, warns in his annual report, "The significant decline in the free market gold price will have a serious effect on the earning capacity of the mine and it sustained will also have an effect on the mine's future."

In the meantime, Buffels is seeking to maintain production through an arrangement with the Anglo American Corporation group's Vaal Reef mine. Negotiations for Buffels to secure a portion of the Vaal Reef lease area concession have reached an advanced stage.

Under the right granted to mine the area, Buffels will meet 48 per cent of the cost and draw the same percentage of revenue, while Vaal Reef will face the remaining 52 per cent of the cost and take a corresponding portion of the revenue.

Mr. Fritz says that this arrangement enables Buffels to postpone some capital expenditure on the mine's eastern zone. This area is where the future of the mine lies, but more geological work is necessary before detailed planning for mining can start.

Capital expenditure for the year to the end of June 1976 is estimated at R7.2m. (\$4.5m), compared with R6m. for 1975-76. Buffels were 580p yesterday.

**SOUTH AFRICAN COAL MERGER**  
 Three South African coal companies, Duthie Exploration, Twefontein United Collieries and Witbank Consolidated Coal Mines, have announced merger terms.

Duthie is offering the shares to Twefontein on the basis of 1.84 for each Twefontein share, but a choice of either shares or new shares and cash to Witbank.

For the straight share deal, Duthie is offering the equivalent of 2.35 shares for each Witbank share. The alternative offer is 1.83 Duthie for every Witbank, plus a total of R1.72m. (£1.17m.) cash. Should the Witbank shareholders accept the new shares and cash alternative, then the cash part of the deal will be paid to them through a bonus dividend.

Rio Algom, which has the largest uranium reserves in North America and contracts for uranium oxide running into the billions, expects to pay a dividend 1976, plans to increase milling of 45 cents (30.3p) for the year capacity to 7,000 tons a day from 4,500 tons by 1978 in the first phase of an expansion plan. Plans for the next phase are expected to be announced this week.

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	Six Months to 30th June 1976	Six Months to 30th June 1975	Year to 31st December 1975
Turnover	10,619,000	9,909,000	19,953,000
Profit before Tax	884,000	604,000	1,517,000
Profit after Tax	429,000	242,000	726,000
Earnings per Share	4.29p	2.42p	7.26p
Dividend per Share	0.49p	0.40p	0.88p

\* Further substantial increase in earnings per share  
 \* Forecast of increased profit for the year  
 \* Substantial increase in cash balances

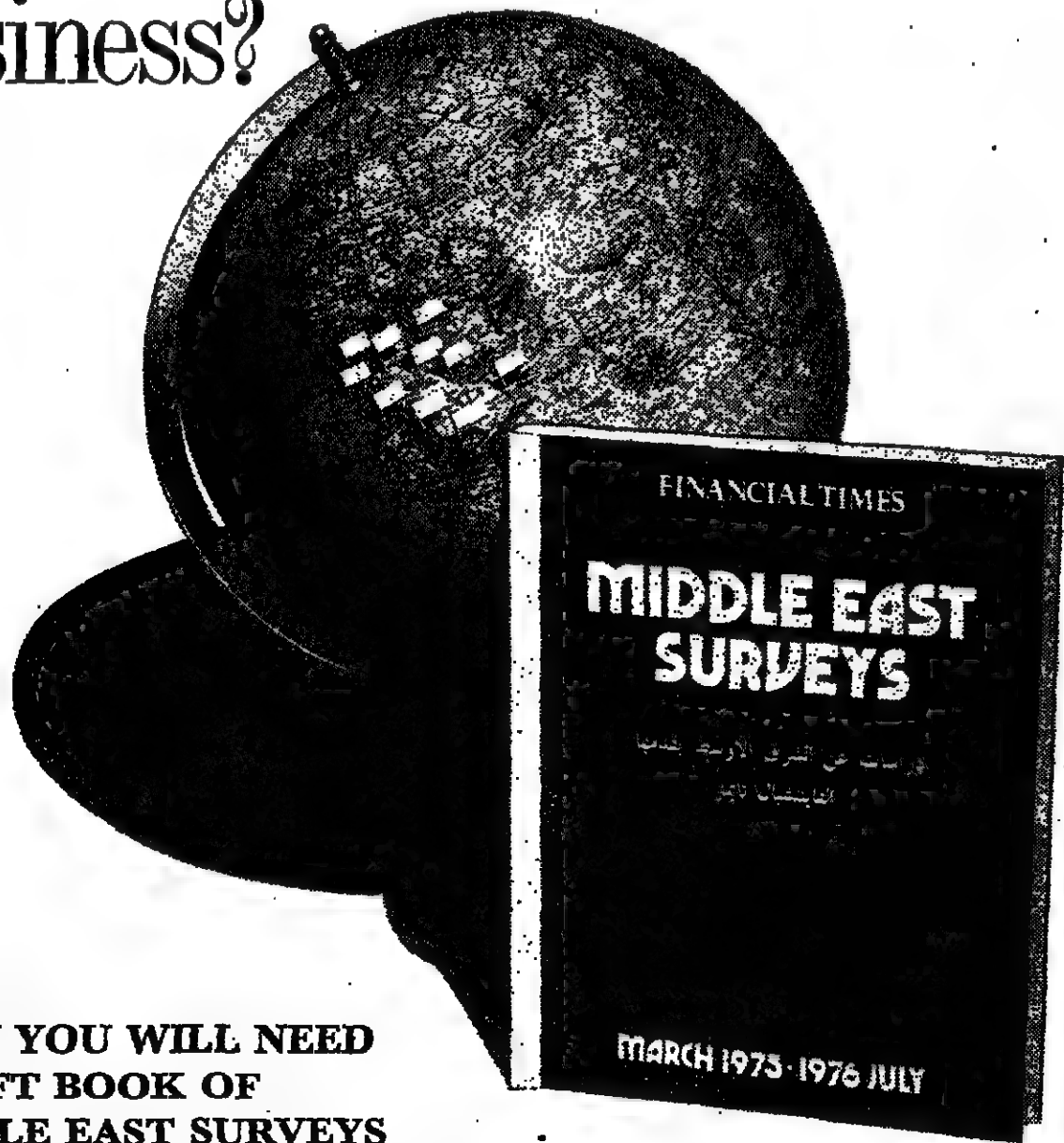
Copies of the full Interim Report may be obtained from the Registrar, Midland Bank Limited, Registrar's Department, Courtwood House, Silver Street Head, Sheffield, S1 3RD.

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## INTERNATIONAL FINANCIAL AND COMPANY NEWS

## Improved second quarter figures from J. Borel Int

BY ROBERT MAUTHNER

PARIS, Sept. 27.

Jacques Borel International, for the second quarter was as the French catering and hotel group, whose vacillating fortunes has kept the Bourse on tenterhooks over the past few months, has bounced back into the limelight with improved second quarter results and typically confident forecasts of better figures to come.

After nearly foundering in the summer, when Borel shares tumbled by more than 30 per cent. because of the large losses made by the hotel sector, particularly the recently-acquired Sofitel chain, Borel has re-



M. Jacques Borel

ported a net operating profit before amortisation of deferred expenses and taxes of Frs.3.76m. (about £440,000). After the deduction of Frs.5.5m. of losses on the hotel side.

This compares with an operating loss of Frs.12.3m. in the first quarter and a loss for the hotel sector alone during this period of Frs.13.5m.

The group's recovery, according to Jacques Borel himself, is therefore making good progress.

Hotels apart, the operating profit

## Steyr-Daimler plan saved in Greece

BY PAUL LENDYAI

A LAST-MINUTE Austro-Greek agreement appears to have saved a major but controversial venture of Steyr-Daimler-Puch, the leading Austrian motor company, from liquidation in Greece. After long-drawn out negotiations, the Greek Government, reaffirmed some of the commitments originally undertaken by the previous military dictatorship with regard to sales guarantees and financial support for "Steyr-Hellas," the giant Austro-Greek venture.

According to the agreement, signed last week, the Greek Government gave a commitment to buy 3,500 lorries during the next

five years. The order worth about \$50m. would be provided in long-term credits to the time of Sch.300m. are regarded by the Austrian company as a sufficient guarantee for the viability of the project.

It is also reported by the Austrian Press that similar guarantees have been promised with regard to the production and sale of tractors. Even under these circumstances, however, the original production target must undergo a drastic downward revision.

At the time of the deal with the military dictatorship in April 1972, the production targets were

5,000 tractors and 3,000 lorries per annum. For the project which was said to cost Steyr Sch.1.8bn. in investments at the time, the military rulers also promised tariff protection and various fiscal concessions. Now, under the best of circumstances, Steyr-Hellas "can reasonably expect to sell only 1,000 lorries and 2,000 tractors annually, provided the Greek Government will also allow export rebates for sales on third markets."

The new deal also gives a breathing space of two years for Steyr with regard to further investment financing. The plan

to erect a plant for manufacturing 30,000 mopeds, 80,000 bicycles and 2,500 motor-cycles annually have been shelved. A liquidation of the project would have meant an outright loss of Sch.300m. to Sch.500m. for the Austrian company.

VIENNA, Sept. 27.

Meanwhile, Steyr reports for the first half of 1976 a rise of 15.5 per cent in turnover to Sch.4.2bn. Orders in hand are worth Sch.2.5bn. and suffice to guarantee production until the end of the year. Domestic sales in the 18-month period were up by 17.7 per cent, while exports rose by 6.5 per cent.

## Loss-making Dutch paper group calls in McKinsey

BY MICHAEL VAN OS

AMSTERDAM, Sept. 27.

Van Gelder, the leading Dutch paper manufacturer in which the U.S. Crown Zellerbach company has a 50 per cent. interest, has informed the trade unions that it has called in the McKinsey consultancy. Van Gelder recently reported a loss of Frs.15.2m. in the first half of this year after having suffered a loss of Frs.25.2m. in 1975.

The company's board here said that the report would be completed by the consultancy at the end of this year. It is currently surveying the so-called indirect sector of office staff comprising around 1,500 of the 6,500 people employed by the paper manufacturer.

A spokesman for the trade unions said that the Van Gelder board had been urged not to take any measures that could affect the staff position at the company where a halt on personnel recruitment had been in force for some considerable time. The unions have also said that they are only prepared to discuss consultancy reports concerning the company as a whole and not just separate sectors.

Van Gelder, whose sales in January-June increased to Frs.438.6m. from Frs.406.2m. in the same period last year, was apparently back on the recovery trail in 1974 when it made a record profit of Frs.39m. It had incurred losses totalling many millions of guilders in the preceding years.

In common with other paper manufacturers, however, the Amsterdam-based company was hit very hard by the general decline in the paper business during the economic recession. It has already given a warning that this year would again be one of "major losses," despite business improvement in the second half of this year. Last year's first half showed only a marginal profit of Frs.0.4m.

The company has also indicated that the financing of the construction of a large new newsprint plant, costing some Frs.300m., is seen up. The go-ahead on the long-planned project still depends on certain conditions being met, but the board said that negotiations are expected to be finalised shortly.

Since the construction of such a plant is a very costly affair, Van Gelder has been having talks with the authorities and various newspaper organisations for the past few years. The publishers, it is understood, have given the company certain paper purchases guarantees, so that they will most likely not be forced to buy their materials in the Nordic countries.

A survey of the Dutch paper industry, published by Barclays Bank here before the weekend, the bank said that Van Gelder was on a cyclical upturn and could be making profits again in 1977, particularly if it went ahead with plans to close down obsolete plants. It added that paper prices were currently still so bad that a profitable operation was not yet possible at Van Gelder.

Van Gelder derives 60 per cent. of its sales from paper production — 338,700 tons in 1975 — of which 39 per cent. is for export. It is also involved in packaging and trading.

## Difficulties for 'The Citizen'

By Our Own Correspondent

JOHANNESBURG, Sept. 27.

THE PAST TWO WEEKS in Johannesburg have been eventful, if that is the right word, by the appearance of a new English-language daily paper, The Citizen, which has been launched as a competitor for the successful Rand Daily Mail.

Essentially its staffs see it as a downbeat paper, which, in the life of one commentator, is intended "more for martlet throwers than decision-makers (martlets are small tangerines which are thrown on to the pitch at rugby matches). Its political line is indistinct and there has been great emphasis on coverage of, for instance, child prostitution in New York and sex orgies in the same city's morgue."

The early issues have been characterised by a series of what appear to be unpremeditated policy changes. Thus sport, which began in the middle pages, has been shifted to the traditional back pages. The chief editor, Mr. Martin Sprin, has been replaced after 14 issues by a former editor of the rival Star Group's Sunday Express, Mr. Johnny Johnson, which must rate an entry in the Guinness Book of records. And circulation, claimed at 134,000 on the first day (against the RDM's 170,000) has slipped back officially to 85,000, but in the estimation of competitors, is no more than 40,000.

Loyalty has generally been eluded and unclear and the major weakness has probably been the business section, which compares poorly with the RDM's excellent coverage. A specimen citizen story, reviewing the annual report and accounts of the Newcastle-Platberg colliery group, began as follows: "A conservative annual Newcastle-Platberg report is one of conservatism. The gossip column here mainly devoted to apologising for the previous day's typographical and other errors."

The Citizen's proprietor is Mr. Louis Layt, chairman of the Triomf Fertiliser Group, who made a bid for South Africa's Associated Newspapers, owners of the RDM and others, last year before deciding to go ahead with the Citizen launch. Always rather one of the stormy petrels of South African industry, he has other problems as well.

His company's activities are involved in two major lawsuits in which a total of Rand 31m. is being claimed. The first is an R27m. action against Bannan's Concessions, the company which operates the accident-prone copper nickel mine at Kribbi in Botswana, and whose holding company in turn is Botswana, for its alleged failure to deliver sulphuric acid to one of Triomf's fertiliser plants.

The other is an R2m. libel action against the Sunday Express (ironically the old employers of the Citizen's new editor), its editor and various journalists and printers for an article on Triomf's R100m. phosphate acid plant at Richards Bay which, it was alleged, will be a white elephant. The action is being defended, as is the one against Bannan's.

Thus the troubles are coming in battalions, not single spies. The Citizen's present revenue is a matter of conjecture, but the R12m. Mr. Layt has said he will make available may not last long if circulation is as low as rivals suggest.

And difficulties could be compounded by advertisers withdrawing if sales do not come up to the levels predicted when space was originally sold.

## Niarchos in clash on \$50m. State oil refinery contract

BY OUR OWN CORRESPONDENT

ATHENS, Sept. 27.

GREEN SHIPPING magnate Stavros Niarchos and the Greek Government to-day appeared to be on a collision course over an oil refinery contract signed in 1970.

In a statement issued here to-day, the Niarchos group accused the government of raising constant obstructions in the performance of the concessionary agreement "with the obvious intent to confiscate one's property without compensation."

Under the 1970 agreement, Niarchos undertook to invest \$50m. to modernise and expand a State oil refinery outside Athens valued at about \$25m. The expansion increased annual processing capacity of the refinery from 1.7 to more than 5m. tonnes of crude oil.

Under the agreement, Niarchos acquired two-thirds of the refinery and the State kept a one-third stake.

Now the Government wants to revise the contract because, it says, the Niarchos group has failed to implement a number of parallel investments it undertook to carry out.

But the Niarchos contract was in some ways linked with the terms of another agreement between the State and banker-industrialist Stratis Andreadis. And since the Andreadis contract, for an oil refinery with an annual processing capacity of 6m. tonnes, never got off the ground, the Niarchos group considered its non-implementation has freed it from its obligation to carry out those parts of its contract connected with it. Hence the divergences.

In its statement to-day, the Niarchos group categorically denied press reports this week that the extension and modernisation of the refinery were partially made at government expense. The statement said the Niarchos group provided the necessary capital in full.

A Niarchos spokesman also emphasised that the group has so far invested about \$60m. in a new graving dock for Hellenic Shipyards, owned by Niarchos, outside Athens. The spokesman said the time limits for other investments have still not run out.

The statement said that constant obstructions by the government forced the Niarchos group to seek international arbitration on its contract on August 2 this year. It appointed Dr. Werner Als, former president of the Deutsche Bank as its arbitrator.

On September 15 the Government appointed Mr. Constantine Tsangarakis, president of the Legal Council of the State, as its arbitrator.

The two are now expected to agree on an amicable settlement and take the case before the Swiss Federal Court in Geneva.

The reference by the Niarchos group to State confiscation with no compensation comes only a few weeks after the government moved to take control of the vast business empire of Professor Stratis Andreadis, who lost control of an empire estimated at more than \$800m. has also accused the government of blatant confiscation of his property.

The spread of State control has been causing concern in business circles here. The government, however, insists it supports private initiative.

The background is stiffening foreign competition and declining profitability. Mr. Erik Sundin, Stora Kopparbergs managing director, says that Swedish steel levels are now so high that something has to be done to improve the works' ability to compete.

Uddeholm's managing-director, Mr. Gunnar Wessman, said that against very tough competition from all the larger industrial countries, Sweden was beginning to lose its advance in the manufacture of quality steels.

The Stora Kopparberg/Uddeholm amalgamation was accompanied by a communique from Jernkontoret, the Swedish iron and steelmasters' association, which has a special committee investigating the special steels industry. It described the two companies' move, as the first of the measures needed to put back both production and marketing costs among nine special steel manufacturers.

## Further fall in orders for West German steel

BY GUY HAWTHIN

FRANKFURT, Sept. 27.

WEST GERMAN steel producers are expecting to see an increase in short time working following a heavy decline in orders. The fall in demand this summer has, however, worsened the already too-healthy earnings position of many concerns.

The scale of the downturn came as something of a surprise. After a promising start to the year, summer orders started to shrink heavily — by August, at 1,512, tonnes were 100,000 tonnes down on July's depressed figures. Furthermore, they were a full 450,000 tonnes down on the monthly average for the first half of 1976.

An increasing number of steel products were now being produced at a loss because of the fall in demand, said Dr. Vondran, crude steel production during the current year was now expected to total about 44m. tonnes against 40m. tonnes in 1975, he said. While this was an improvement, it had to be compared with a 1974 output total of 53.5m. tonnes.

Orders had been bugged up by growing home demand, but during the year there had been a worrying decline in export bookings. Exports as a proportion of production had fallen from 1975's 40 per cent. to 30 per cent. At the same time German steel makers were facing stiffer competition in their home market with the proportion of imports increasing to 35 per cent. from the former average level of 25 to 30 per cent.

The utilisation of capacity by steel producers was far from satisfactory. In most sectors it was running at 70 to 75 per cent, but in the large plate area it had fallen to under 50 per cent.

Steel producers attribute most of their order problems to the low level of demand from the manufacturers of capital equipment. Two of every three tonnes of steel produced is destined for this sector. However, as reported earlier, order figures for the first half were probably boosted by the rebuilding of stocks run down in last year's recession as customers tried to hedge against forecasted price increases.

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ROBERT AND HANS COMPANY  
Dated: September 28, 1976.

## SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Alcoa 9 1/2% 1980	104	104 1/2	American Express 4 1/2% 87	85 1/2	86
Audubon 10 1/2% 1984	104 1/2	105	Amstar 4 1/2% 1980	85	85 1/2
Aviation 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Cummins 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
ECB 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
ELI 9 1/2% 1983	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
ERAP 9 1/2% 1983	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Esso 9 1/2% 1984 Nov.	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Euromark 9 1/2% 1983	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Granada 9 1/2% 1983	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
ISC Canada 9 1/2% 1980	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Maxey Farm 9 1/2% 1981	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Midcon 9 1/2% 1980	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
NIL Westminster 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Norfolk 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
North River 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Oak 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Pacific Light 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Prov. Quebec 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Sandwich 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Prov. Saskatchewan 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
SPR 9 1/2% 1982	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Shell 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Blant, Oil Ind. 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Swedish Handels 9 1/2% 1984	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2
Volvo 9 1/2% 1983	104 1/2	105	Beaumont 4 1/2% 1982	102	102 1/2

NOTES	Bid	Offer	CONVERTIBLES	Bid	Offer
Bank of Tokyo 9 1/2% 1981	101	101 1/2	Chrysler 4 1/2% 1987	85 1/2	86
Dynalene 9 1/2% 1982	102 1/2	103	Cummins 4 1/2% 1987	85 1/2	86
British Gas 9 1/2% 1981	101 1/2	102	Dynalene 4 1/2% 1987	85 1/2	86
Chubb 9 1/2% 1981	101 1/2	102	Esso 4 1/2% 1987	85 1/2	86
Dunsmuir 9 1/2% 1981	101 1/2	102	Granada 4 1/2% 1987	85 1/2	86
ECB 9 1/2% 1981	101 1/2	102	ISC Canada 4 1/2% 1987	85 1/2	86
ELI 9 1/2% 1981	101 1/2	102	Maxey Farm 4 1/2% 1987	85 1/2	86
Granada 9 1/2% 1981	101 1/2	102	Midcon 4 1/2% 1987	85 1/2	86
ISC Canada 9 1/2% 1981	101 1/2	102	NIL Westminster 4 1/2% 1987	85 1/2	86
Maxey Farm 9 1/2% 1981	101 1/2	102	Norfolk 4 1/2% 1987	85 1/2	86
Midcon 9 1/2% 1981	101 1/2	102	North River 4 1/2% 1987	85 1/2	86
NIL Westminster 9 1/2% 1981	101 1/2	102	Oak 4 1/2% 1987	85 1/2	86
Norfolk 9 1/2% 1981	101 1/2	102	Pacific Light 4 1/2% 1987	85 1/2	86
North River 9 1/2% 1981	101 1/2	102	Prov. Quebec 4 1/2% 1987	85 1/2	86
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Pacific Light 9 1/2% 1981	101 1/2	102	Prov. Saskatchewan 4 1/2% 1987	85 1/2	86
Prov. Quebec 9 1/2% 1981	101 1/2	102	SPR 4 1/2% 1987	85 1/2	86
Sandwich 9 1/2% 1981	101 1/2	102	Shell 4 1/2% 1987	85 1/2	86
Prov. Saskatchewan 9 1/2% 1981	101 1/2	102	Blant, Oil Ind. 4 1/2% 1987	85 1/2	86
SPR 9 1/2% 1981	101 1/2	102	Swedish Handels 4 1/2% 1987	85 1/2	86
Shell 9 1/2% 1981	101 1/2	102	Volvo 4 1/2% 1987	85 1/2	86
Blant, Oil Ind. 9 1/2% 1981	101 1/2	102			
Swedish Handels 9 1/2% 1981	101 1/2	102			
Volvo 9 1/2% 1981	101 1/2	102			

Source: White Wolf Securities.

## Warning of redundancies for State industries in Austria

BY OUR OWN CORRESPONDENT

VIENNA, Sept. 27.

OIAG, THE HOLDING company for the Austrian nationalised sector, reports a total turnover of Sch.81.3bn. (about £2.7bn.) last year, as against Sch.80.2bn. in 1974.

Announcing the figures for 1975, Dr. Franz Geis, director-general of the holding company, criticised the steep rise of wage costs and fringe benefits. Gross salaries rose by 17.5 per cent., the wage bill by 11 per cent., and the cost of fringe benefits by 30 per cent. last year, compared to 1974.

The wage bill must be contained within manageable limits, he warned. Even so, redeployment involving some redundancy will be inevitable in such sectors as steel and aluminium.

He pleaded for diversification and announced that his Board had authorised a research project to study whether the manufacturing of a medium-sized car was feasible in Austria. Dr. Geis also advocated concentration of the chemical and petroleum sectors.

Thus in his opinion, one single Sch.5.2bn. last year. The federal government will have to provide Sch.300m. next year to finance the structural changes in the chemical industry. A copper mine and a coal pit will have to be closed within the foreseeable future, and drastic rationalisation was also needed in the aluminium sector. The cash from 33.7 per cent. to 36.7 per cent. of the sales total for the year, Sch.8.1bn. in 1974 to nationalised sector.

## Scrip issue from Sims

BY JAMES FORTH

SYDNEY, September 27.

SIMS CONSOLIDATED, the major scrap metal, pastoral and computer group, plans a scrip issue of 16 per cent. drop in earnings for the year to June 30. Profit dipped from the 1974-75 record \$A10.7m. to \$A9.0m. This is well within the forecast earlier this year by directors.

When announcing a setback in the first half the Board said that the full result was expected to be below the 1975 peak but should at least equal the 1973-74 profit of \$A7.4m. The profit would have included a full year's results of the Queensland agricultural machinery group, Napier Bros, acquired in the previous year.

The lower profit was despite a 4.4 per cent. increase in group sales from \$A151m. to \$A158m. Sims recently attracted attention with a report that its group chief executive was moving to

Hong Kong to co-ordinate the group's activities in South East Asia leaving the Chairman to fill the role of chief executive. The STSALIN acquisition chain Travelodge Australia has reported operating losses and provisions totalling almost \$A3.4m. for 1975-76 compared with a profit of \$A11m. in the previous year. The deficit is broadly in line with the forecast by directors in July when recommending a takeover bid of 40 cents a share from the Hong Kong based parent Southern Pacific Properties, which owns 68 per cent. of the capital. The provisions and losses under equity accounting are treated somewhat differently from the forecast with the result that the operating loss for the year is shown at \$A561,000, compared with a profit of \$A707,000 in 1974-75.

## Bank chairman confident

ECONOMIC CONDITIONS in private sector activity has been disappointing, slow, the fundaments of the economy



## INTERNATIONAL FINANCIAL AND COMPANY NEWS continued

Company doctor' called  
to Norrbottens Järnverk

WILLIAM DUFFLORCE

STOCKHOLM, Sept. 27.

ESSOR Ulf af Trolle, the "company doctor" who has been successful on several occasions, is to be called in to Norrbottens Järnverk. The company, which is a subsidiary of the state-owned steelworks, is expected to lose about 400 million kronor in 1976. Its turnover is about 1.5 billion kronor. The company is expected to be reorganised. The existing management is expected to be replaced. The new management is expected to be appointed by the state.

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Interfood Holding planning to  
develop new products, markets

JOHN WICKS

IMPROVE its sales and profits, Interfood Holding, a major subsidiary of the Swiss-based company, is planning to develop new products and markets. The company is expected to launch a new line of products in the food industry. The company is also expected to expand its operations in the food industry. The company is expected to be successful in its new ventures.

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Solel Boneh  
profits up  
to £15m.

TEL AVIV, Sept. 27.

SOLEL BONEH, Israel's largest building company, owned by the Federation of Labour, reports in its consolidated balance sheet for 1975 an increase in pre-tax profits by 54 per cent. over 1974 to £15m. and a net profit of £10m. The company is expected to be successful in its new ventures.

Deutsche  
Babcock

OBERHAUSEN, Sept. 27.

SALES OF the Deutsche Babcock Group in the first ten months of the fiscal year ending September 30 were at the same level as the comparable period of the previous year. The company is expected to be successful in its new ventures.

AP-DJ

## Swiss Kreditanstalt

ZURICH, Sept. 27.

SCHWEIZERISCHE Kreditanstalt expects 1976 to be a good year despite a slowdown in domestic lending business. The company is expected to be successful in its new ventures.

## SOUTH AFRICAN PROPERTY

## Deep in the doldrums

BY RICHARD ROLFE, JOHANNESBURG CORRESPONDENT

TEN YEARS AGO, the commercial property market in South Africa was one of the most dynamic parts of the republic's economy. Major towns like Johannesburg, Cape Town and Durban were experiencing a boom in property development. The market is now in a slump.

## Different

How very different it all is today. In Johannesburg only one major office block is going up, which is the Sanlam Life Assurance group's R45m. 31 storey tower on the east side of the CBD. The market is now in a slump.

area of 620,000 sq. ft., of which 420,000 sq. ft. is office space. The market is now in a slump. The highest rents in Johannesburg are generally in the Carlton Centre, where new office leases are being negotiated at 57c per square foot per month, which rose to 4 per cent. last year.

The Carlton Centre, owned by Anglo American Properties, with the bulk of the new property projects. The market is now in a slump.

The whole question of whether insurance groups should in effect be subsidised by the authorities in competition with private developers has aroused a good deal of resentment.

well above the Carlton's top rate, where between 8 per cent. and 12 per cent. are being offered. The market is now in a slump.

But hand-in-hand with increasing direct institutional investment in property has been a decline in the availability of institutional funds for mortgages. The market is now in a slump.

The ability of the institutions, on the other hand, to accept lower returns than the private developer, has certainly held project costs down. The market is now in a slump.

The main secular trend in the commercial property market has been the increasing involvement of the institutions, especially pension and life funds. The market is now in a slump.

According to Sanlam's property investment manager, Mr. Etienne le Roux, in 1961 the insurance companies held 75 per cent. of their assets in fixed property and the figure had risen to 152 per cent. last year, showing a huge increase in both relative and absolute terms. The market is now in a slump.

Errol Friedmann, a partner in the property broking firm of J. H. Isaacs, notes that despite the present low interest rates, institutional buyers of property have had no option "but to adjust their investment parameters downwards."

Since institutional involvement in property has mainly concerned the life and pension funds, there has been little straight banking money in the market on the commercial side, though Trust Bank has bailed out the troubled Cape group Leon Pascale. The market is now in a slump.

Private developers have become increasingly concerned about the institutional dominance of the new property projects. The market is now in a slump.

Mr. Cyril Hoffman of Hoffman Construction, a quoted group whose shares at 88 cents yield 15.5 per cent. has recently summed up the private developer's dilemma, with the observation that "I can't put up a building unless I can let them, but the institutions can't let them."

Mr. Hoffman, managing director of Retco, says the institutions, borrowing costs now at all time levels, property brokers' tax treatment, have a tax shelter which means that depending on the rate of pension fund investment, they can show a reasonable return. That means letting at a minimum, their tax rate is some-

where between 8 per cent. and 12 per cent. are being offered. The market is now in a slump.

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## U.S. COMPANIES

## Weyerhaeuser admits improper payments

BY STEWART FLEISCH

NEW YORK, Sept. 27.

WEYERHAEUSER, the giant U.S. paper group, has admitted making improper foreign payments of \$1.2m. over the past year. The company is expected to be successful in its new ventures.

Headquarters approval is now required before an overseas manager can make such payments, and the manager must satisfy senior officials that they are customary in the country concerned.

U.S. accountants  
usage review

NEW YORK, Sept. 27.

A COMMITTEE of the public accounting profession in the U.S. urged a thorough review of generally accepted accounting principles to reduce the financial data that all businesses, regardless of size or nature, are required to disclose.

COMISION FEDERAL  
DE ELECTRICIDAD  
Mexico CityTwo Loans Totalling  
US\$9,994,800

Medium Term Equipment Finance

Bank of America International Limited—Agent Bank  
International Mexican Bank Limited  
INTERMEX  
World Banking Corporation Limited, Nassau

Atlantic International Bank Limited—Agent Bank  
Merrill Lynch International Bank Limited  
van Lanschot Bankiers

This financing was arranged by  
Noboco Investments Limited  
in conjunction with  
ASEA A.B.

\$80m. investment  
by Montedison

MILAN, Sept. 27.

MONTEDISON SPA said it plans to invest \$80m. in a 150,000 tonne polypropylene plant in Houston, Texas, to be operated by its wholly-owned U.S. subsidiary Novamont Corporation. The plant will use the first time high yield catalyst technology developed by Montedison in co-operation with Mitsui Petrochemical.

It will employ 300 people and is due to come on stream in 1979. Novamont already has a 90,000 tonne polypropylene plant in Mill, West Virginia, giving it six per cent. of the U.S. market, and hopes to raise its share to 10 per cent. with the new plant. Montedison spokesman said. Reuter

## Sea Containers split

NEW YORK, Sept. 27.

SEA CONTAINERS INC. and Sea Containers Ltd. have declared a split of the shares of both companies on a basis of one additional share for each share currently issued and outstanding. The additional shares will be payable on November 4, to shareholders of record on October 14. The value of the additional shares will be the same as those of the present shares and the cash dividend rate will be split on the same basis as the shares.

## Machine tools

WASHINGTON, Sept. 27.

U.S. MACHINE tool orders rose 11.2 per cent. in August to \$203.8m. from \$183.3m. in July, 93.3 per cent. ahead of the August 1975 total of \$102.75m. The National Machine Tool Builders' Association said.



Exchange Bank, the Mitsui Gumi, which started operation 1874.

Our centennial as a bank,  
but our 293rd year in finance

Mitsui became a bank in the year 1876. But as early as 1683, the Mitsui Exchange House, our ancestor, was a respected financial firm in Tokyo when Tokyo was called Edo. The Mitsui name has been around in financing for quite a while — we were among the first of Japanese banks to go global. If you do business internationally, you might be looking for a bank with a long history in financing and a worldwide network. Contact Mitsui Bank — we're not far away from you.

1683 The Mitsui Exchange House, predecessor of The Mitsui Bank Ltd., founded in Edo (present Tokyo).  
1874 Exchange Bank, the Mitsui Gumi, started operations taking over the business of the Mitsui Exchange House.  
1876 The Mitsui Gumi was succeeded by the Mitsui Bank, the first private commercial bank in Japan.  
1976 Mitsui Bank celebrates its centennial.

## MITSUI BANK

Head Office: 1-2 Yurakucho 1-chome, Chiyoda-ku, Tokyo 100 Domestic Offices  
Overseas Branches & Agencies: New York, Los Angeles, London, Brussels, Düsseldorf, Bangkok, Singapore, Bombay, Overseas Representative Offices: Toronto, São Paulo, Sydney, Jakarta, Kuala Lumpur, Hong Kong, Manila  
Subsidiaries: The Mitsui Bank of California, Los Angeles  
Associates and Affiliates: Associated Japanese Bank (International) Ltd., London, City Bank, Honolulu, Tricontinental Corp., Ltd., Melbourne; Mitsui European Finance & Investment Ltd., Bangkok; Banco Bona, Simonsen de Investimento S.A., Rio de Janeiro; WMS Capital Corporation Ltd., Hong Kong, Hambro-Mitsui Ltd., London; Investment and Finance Bank S.A.L., Beirut; Citibank (Zaire) S.A.R.L., Kinshasa; P.T. Finconesia (Financial Corp. of Indonesia), Jakarta; Philippine Pacific Capital Corporation Ltd., Manila; Far East Bank & Trust Co., Manila; UABAN-Arab Japanese Finance Ltd., Hong Kong; Corporation Financiera Nacional, Medellin, D & C Nomura Merchant Bankers Berhad, Kuala Lumpur, National Bank of Sharjah, Sharjah; Nippon European Bank S.A., Brussels.

100 Years in Banking.







## LABOUR PARTY CONFERENCE



## Spending cuts condemned is betrayal

JOHN HUNT

ROBLY-WORDED motion the National Union of Employees rejecting the Government's expenditure cuts, as a sizeable majority of the National Executive Committee after a debate in which speaker went to the limit to condemn the cuts as a betrayal of Socialist principles.

It was not approved, then the subsequent resolutions on health, education, pensions, benefits and unemployment did not get the support of the conference. The rank and file would not put up with the excuse made by the Government that the economy was so bad that the Government had to put capitalism on its feet before it could introduce a fully Socialist programme.

"If people cannot see the difference between us and the Tories, then they will look elsewhere," he said. "The cuts are not necessary. We should be attacking the capitalist system. If the Government wants to keep the average worker, they should be listening to the rank and file before listening to the City."

Putting the Richmond resolution, Mr. Robert Marshall, said the conference: "What is wrong with this country is that we are suffering from a lack of economic choice within the country."

We all know that we can't stop the world and get off, cautioned. "We are doing well to get out of the spiral, this country and this movement since which began 20 years ago."

Mr. Hart said the Government had done a tremendous amount in introducing such programmes as the temporary employment scheme and the job creation scheme. This had been achieved at a time of great economic choice within the country.

We all know that we can't stop the world and get off, cautioned. "We are doing well to get out of the spiral, this country and this movement since which began 20 years ago."

It is encouraged by the over-riding response given by the union movement to the contract 1976-77 and the confidence and the talks shown by all workers in the economic crisis of the 18 months, supports the view that planned return to free collective bargaining should be in place in 1977.

Conference believes that in order to avoid a wages freeze-for-all which would be injurious to the economy and which could destroy or jeopardise our long-term objectives in a return to collective bargaining, the following measures should be recommended:

—The recognition and payment of satisfactory differentials to ability, effort, skill, and responsibility and the correction of anomalies and inequities.

—A continued and developing emphasis on improvements in the rates and other special awards in order to assist workers on low pay and to meet a TUC minimum wage target.

—Measures to ensure that the rate supplements paid under the social contract are incorporated on a phased basis into basic pay for the purposes of curbing overtime, payments by shift, shift payments, etc; and

—Encouraging speculative investment and investment overseas and in property by a stringent penalty. The idea of this, it said, was to help investment in essential industry.

In addition it demanded the introduction of a severely redistributive Budget to raise revenue by all means including taxation, especially of unearned income.

## THE BUOYANCY of the social contract carried the Government over the waves of anxiety and anger which ruffled the conference, debates on its economic policies yesterday.

Mr. James Callaghan got his feet embarrassingly soaked in the public expenditure cuts — but no one was allowed to rock the lifeboat too violently. Few attempted it, in fact. The reservoir of party loyalty remains remarkably calm.

Mr. Tom Bradley, the party chairman, appealed early in the day for realism and sense. "We have to demonstrate not only that we are fully capable of handling the problems of government, but that we have the will and the purpose to do so," he said.

The major unions responded immediately by demonstrating their determination to support the social contract and in particular, an orderly return to free wage bargaining.

Mr. Harry Urwin, of the transport workers, Mr. David Bassett, General and Municipal Workers, Mr. Frank Chapple, of the electricians, Mr. Reg Bottini, of the farm-workers and others, pulled the conference behind the Government.

Responsibility never got as anywhere.

## Benn laments failure to gain full-blooded Socialism

BY JOHN HUNT

A CALL for the Labour party to adopt clear cut Socialist policies or else face the possibility of losing the next General Election was made by Mr. Anthony Wedgwood Benn, Energy Secretary and the shop floor chairman of the party's home policy committee.

Presenting the document, "Labour's programme, 1978" on behalf of the NEC, he scathingly criticised the failure to embrace full-blooded Socialist programmes in recent years.

Mr. Benn, who received the loudest ovation of the conference during the day, went on to blame the present economic ills and high rate of unemployment on the failure of the British capitalist system.

But it was very noticeable that he made only a mild passing reference to the nationalisation of the banks and leading insurance companies and made little attempt to emphasise the importance of this item as a central point of doctrine.

There was, he said, a real date in progress at every level of the party and the Government at the moment.

"I believe we agree that criticism must not go to the point of endangering the life of the Government," he said. "On the other hand, loyalty must not be used as an excuse for silencing those who wish to criticise," he said.

Business, the Tory Press, and the media, had set up the working people of Britain as scapegoats for the real failure—the failure of British capitalism.

High unemployment and lack of investment were symptoms of the failure of industrial democracy which would give workers on the shop floor a say in how their companies were run instead of being treated as fixed assets at the mercy of the market.

The NEC document, he explained, re-assessed the party's programme on employment and called for a policy of full employment. "Nothing less will be acceptable," he said.

The proposal for the public ownership of the banks and insurance companies was an echo of the original programme of 1933, when the idea had first been put forward by the party.

If unemployment was to be cut Britain had to find ways of moving the nation's savings into industry.

In a significant and loudly applauded passage, he said that the time had come when the movement should draw attention to the problems of decision-making in government, the machinery of government and the way Labour policies were implemented.

This had to be done "so that we shall not see our resolutions quietly buried in the corridors of power."

The movement wanted democratic planning but did not want Government intervention to lead to the corporate state, Labour did not want its programme

lost in bureaucracy or bogged down by Parliamentary obstructionism.

Repeating his call for drastic reform of the House of Lords, he said: "We are seeking a fundamental democratic change. We want it, we need it, and we want it soon."

Returning to his attack on capitalism, he added: "We are paying a heavy price for the failure of British capitalism and we should certainly fail to carry our movement with us if we were trying to salvage the system that has so manifestly failed in the past."

The party had paid a heavy political price for the 20 years in which it had played down its criticism of capitalism and "soft peddled our advocacy of Socialism."

He added: "Unless we speak more clearly now, we shall be fighting the next election defensively deep inside our own political territory instead of being on the offensive on behalf of our own people. That is a very important point."

Mr. Benn recalled the General Election of 1945 when the Labour Party had swept all before it and urged the resolute pursuit of the Socialist programme.

## No rocking this boat

BY PHILIP RAWSTORNE

one despairing critic cried—but he sank quickly in the wake of such party unity. And once successfully launched, the Government never looked in real danger, even amid the reefs of unemployment and public spending cuts.

Mr. Anthony Wedgwood Benn, though often on the brink of upsetting the craft, finally did no more than stir a few ripples.

Labour could not go on salvaging capitalism, he declared. But in between a wistful glance at the fading shores of the Attlee Government and the various horizons of Labour's Programme 1978, he suggested no more than the abolition of the House of Lords and the honours system.

Mr. Bob Marshall-Andrews of Richmond, with a gusty speech, roused some threatening emotions. Why paddle

along with the primitive economics of the Treasury while the Socialist machinery roared, he demanded to an enthusiastic cheer.

But only Mr. Alan Fisher, leader of the public employees union, trawled successfully amid the conference concern, to haul in a resolution against the public spending cuts.

Mr. Hugh Scanlon warned the Government vigorously about the dangers from the tide of unemployment. But he, too, provided Ministers with another life-belt.

"We have an inherent belief in the general industrial strategy of the Government," he said. Priority had to be given to establishing a flourishing manufacturing industry which alone could finance the social services that were needed.

Mr. Albert Booth, Employment Secretary, followed with a brave speech reminding delegates that the party's political and industrial wings were vital if unemployment was to be reduced.

Mrs. Judith Hart, replying for the NEC, advocated reflation with the zeal of one who believed it would enable the Government to walk on water. But she, too, was largely submerged by the demands of unity.

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## Price freeze call by Scanlon

BY JUSTIN LONG

A CALL for a six months price freeze, made by Mr. Hugh Scanlon, general secretary of the AUEW, roused from conference a response so enthusiastic that it may well have disconcerted Ministers on the platform.

Urging acceptance of a resolution demanding new ways of relieving unemployment, Mr. Scanlon said that the price freeze he contended should be introduced should be unconditional.

The CBI would no doubt condemn it, but he assured Ministers that the British people would stand solidly behind the Government if it took such a measure. His motion which did not contain reference to prices, was accepted by the executive and carried by conference.

It demanded drastic measures to cope with the unemployment problem, including immediate action to tackle the "scandal" of unemployed school leavers by extending assistance for their industrial training.

Mr. Scanlon declared that it was time the Labour movement took a hard look at what was happening and recognised that unemployment was an unacceptable aspect of the system under the present Government.

He went further and said that what was being perpetuated today was no less an obscenity.

The Government would be judged by the extent to which it could control and eliminate unemployment, bring down prices and improve the standard of living.

He contended that Britain today had the lowest wage costs in Europe and a wages policy to that nation were already being undertaken by the Government.

In spite of this, the country was still in an economic mess. Mr. Scanlon reserved particular criticism for Mr. Healey, the Chancellor, and his views on import controls.

It was essential to introduce selective import controls, and insufficient to talk merely about television sets and radios.

Mr. Scanlon said that the price freeze he contended should be introduced should be unconditional.

We want the kind of import controls outlined by the TUC in its document, and it is no service to anybody to deny that. He reiterated the Chancellor was not present to hear these criticisms.

On investment, Mr. Scanlon maintained that if we waited until market forces compelled enough money to be put into British industry, it would be necessary to wait for ever. Only Government action could bring about the necessary amount of investment.

No legislation was needed. The National Enterprise Board could do what was required. It should be given £1bn. a year to put into those industries where money was not being provided and subsidised.

Total investment of capital last year amounted to £6bn. but 75 per cent of that capital was invested abroad.

Mr. Albert Booth, Employment Secretary, who spoke from the rostrum as he is not a member of the National Executive, expressed his personal acceptance of the motion raised by Mr. Scanlon. It was to be welcomed, he said, not least because many of the measures spelled out in that motion were already being undertaken by the Government.

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## Bradley calls for action to create 1m. new jobs

BY JOHN HUNT

A WARNING that the Government's social contract with the unions will break down unless urgent steps are taken to reduce unemployment was given by Mr. Tom Bradley, Labour party chairman, in the opening keynote speech of the conference.

To applause from delegates, Mr. Bradley called for the creation of a million new jobs and coupled this with a demand that the National Enterprise Board should be given greater powers to conclude planning agreements with leading companies.

Doubtless with an eye on proposals for the nationalisation of the banks and leading insurance companies, he also urged the need for the party to adopt responsible policies and for the rank and file to show unity and loyalty to the party leadership.

"The Prime Minister deserves the maximum support, loyalty and effort from the party to sustain this Government in power," he declared. "Let us point the way forward, unite behind our policies and generate enthusiasm for them throughout the country."

Mr. Bradley, who is president of the Transport Salaried Staffs Association, claimed that Labour was the natural party of government. "As such, it behoves us to prepare a realistic and sensible programme of wide appeal."

The social contract, he argued, had created a unique partnership between the Government and the trade unions which had benefited the whole nation and saved us from hyper-inflation and ruin. It must remain the bedrock of Government policy.

He conceded, however, that the Government had been less than successful in its battle against unemployment.

"I have a duty to remind and warn the Government that a reduction in unemployment is an integral part of the social contract. The unions, who have invested so much on wages for

two years and have followed living standards to fall for the first time since 1945, will need to be reassured that the Government is determined to create a million new jobs over the next three years, many of them in manufacturing industry. This would require new policies. The time has come, he said, when the Government had to invest by more direct measures. The National Enterprise Board must be given its head and all the capital it needed. There should be a determined effort to conclude planning agreements with leading companies. If necessary, the Government should acquire extra powers to make this happen.

Emphasising the need for economic expansion, Mr. Bradley stressed that it was also essential to restrain, for the time being, certain areas of public and private consumption if an even higher rate of inflation was to be avoided.

After becoming secretary of Kettering Labour Party, he fought a series of hopeless Parliamentary contests before entering the Commons in a by-election at Leicester North East in 1962. As a co-founder of the Campaign for Democratic Socialism, set up in 1961 to fight for Gaithelette policies against Left wing proposals for more nationalisation, Mr. Bradley was immediately identified as a Right winger, an impression confirmed when he became parliamentary private secretary to Mr. Roy Jenkins in 1964.

He was later offered a Government job at Minister of State level by Harold Wilson, but decided his union role gave him a more effective power base in the Labour movement.

It was his steady progress in trade union affairs that was more important to his future than his pedestrian political record. At 30, he became a branch officer of the TSSA, joined the executive in 1958 and became treasurer three years later serving under Roy Gunter, his other political mentor. When Gunter became Minister of Labour in 1964, Tom Bradley succeeded him as TSSA president and in 1966, inherited his seat on the NEC, the Labour Party's policy forming body.

It was in 1969 that he first came to wide notice as a brilliant conference speaker from a platform which sought to unify a Labour party badly split on economic policy. His speech yesterday showed he still sees this as his main task.

For someone who has reached a relatively high level in the Labour movement, Tom Bradley is remarkably little known to the outside world although his leadership of a white collar union and his position as an active MP make him a figure of some importance.

His background is steeped in Labour and trade union politics — his grandfather was a founder of the Labour Party in the Midlands. He joined his local Labour Party at Kettering at 15, and started work as a clerk the following year. Towards the end of the war, he did a stint as a Berlin boy — at that time one in ten of those called up were assigned to the mines. Bradley admits to hating it.



Mr. Tom Bradley urged greater powers for the National Enterprise Board.

## Foot rules out early referendum

By Ray Parnham

Scottish Correspondent

MICHAEL FOOT, Lord President of the Council, last night ruled out the possibility of a referendum on devolution before the Government's forthcoming Bill is debated in the Commons.

The Government is understood to have told anti-devolution Labour MPs that it is willing to consider a referendum after the Bill becomes law. It would ask people in Scotland whether they accepted the proposal for a legislative assembly in Edinburgh, or whether they wanted the independence advocated by the Nationalists.

But the most ardent of those opposed to devolution feel that a referendum should be held before Parliament considers the Bill.

At a pro-devolution meeting in Blackpool, Mr. Foot said in reply to a question: "We are absolutely opposed to any referendum which would be held before the introduction of this Bill."

"We think that it would be perfectly proper if this Bill was placed on the Statute Book without any referendum at all. We believe we have a mandate for doing it."

But he left the door open for a possible referendum, introduced as a new clause in the devolution Bill by saying: "Of course, we are prepared to listen to what people say."

Mr. John Smith, a junior Minister responsible for devolution, went further than Mr. Foot by saying that a referendum before the Bill became law would need special legislation and could delay the Government's programme for the whole of Parliament.

People in Scotland would not stand for that.

## Unity appeal sinks contract critics

RALLYING CRIES from prominent trade union leaders calling for Labour Party unity enabled the National Executive to ward off Left wing resolutions hostile to the economic policy and the social contract.

The social contract was the absolute bedrock for all the party's hopes for the future, maintained Mr. Brian Stacey, the Transport and General Workers Union, who put forward the motion, which had the approval of the executive, calling on support of the Government with maximum unity.

He pointed out, however, that preparations must now be made for the adoption of a more flexible approach to follow the present incomes limits.

Mr. Ben Fisher, of the Shop Distributive and Allied Workers, seconding the motion, also stressed the need for a planned return to collective bargaining. The responsibility would call for a return to incentive and payment-by-results schemes and genuine productivity agreements, he argued.

Mr. Fisher urged the defeat of composite resolutions criticising the Government pay policy and the limits on pay rises.

Some of these criticisms were expressed by Mr. Ted Morrey, delegate for Walton. Supporting a resolution which contended that the social contract had failed, he said that if the Government continued to implement Conservative-type policies, it would lose the next election.

"We are reaching a situation where the British worker will be the coldest of Europe," he maintained. "Living standards in southern Ireland would soon be higher than in this country—and all because of the social contract."

Mr. Stanley, in the final speech from the platform on these issues, pressed delegates not to discount the Government's achievements during the past three years. Only the triple alliance between the trade unions, the Government and the party had enabled the country to tackle these difficult problems. He contrasted the present situation with its prospects of eventual economic success, with the position three years ago when

the then Mr. Anthony Barber had been Chancellor.

Mr. Stanley contrasted the position of confrontation and the three-day week which had preceded the last election with the improved state of labour relations brought about by the Labour Government.

Other benefits for the workers had flowed from the triple alliance and co-operation which had not received sufficient publicity or recognition.

The debate on incomes policy was opened by Mr. Harry Urwin, Secretary of the Transport and General Workers Union, who put forward the motion, which had the approval of the executive, calling on support of the Government with maximum unity.

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## WALL STREET OVERSEAS MARKETS

## Steady start helps Dow to 3.8 gain Sterling falls

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 27.

THE MARKET'S ability to fend off more downward pressure during the morning, following Friday's decline, helped stocks register a narrow advance in moderate trading on Wall Street today.

The Dow Jones Industrial Average, which had shown a marginal fall during the morning,

## MONDAY'S ACTIVE STOCKS

Stock	Change
Windsor	+1.00
Am. Tobacco	+0.12
Am. Express	+0.12
Am. International	+0.12
Am. Overseas	+0.12
Am. Pacific	+0.12
Am. Shipbuilding	+0.12
Am. Steel	+0.12
Am. Textile	+0.12
Am. Wire	+0.12

moved ahead 1.65 after lunch closing 329.39 at 1,013.13. The NYSE All Common Index finished 24 cents ahead at 37.26. Advances led declines 804 to 589 in a volume up by only 20,000 shares on Friday's level at 17,427.

Hamilton Brothers Petroleum was quoted \$31.10, bid in the over-the-counter market—up from \$31.00, bid, on Friday. Sabine Royalty, which did not trade, said it reached an understanding with Hamilton on a tax-free merger and that Hamilton will withdraw its tender for Sabine shares.

Barrington added \$1 to 309. It had expanded its range of optical character encoding machines by introducing a new document management system. Menasco Manufacturing lost \$1

to \$147. It forecast lower earnings for the first quarter to September 30 and flat earnings for the full fiscal year.

National Mine Service added \$1 to \$101. Chesapeake System down \$1 to \$86. It said it agreed to acquire 21.62 per cent of National Mine's Common from an Irish company.

Sea Containers lost \$1 to \$42. It said directors voted to split its stock two-for-one.

Schlumberger rose \$2 to \$102. Mary Kay Cosmetics \$11 to \$101. Standard Oil of Ohio \$11 to \$73. IBM \$3 to \$286.50 and Fairchild Camera and Instrument \$11 to \$547.

Philip A. Hunt Chemical lost \$1 to \$133. St. Joe Minerals \$1 to \$407. Cileopex \$1 to \$322. and Stauffer Chemical \$1 to \$446.

Prices on the American SE closed slightly higher. The index rose 0.01 to 103.59 and advances led declines 289 to 237. Turnover totalled 1,98m. shares (1.68m.).

Cook Industries fell \$6 to \$102 on sharply lower earnings.

Data Documents climbed \$12 to \$453. It said Dictaphone—up \$2 to \$93 on the NYSE—will tender for all of Data's shares at \$45 each.

## OTHER MARKETS

Canada stocks ease  
Prices closed generally lower on

Canadian stock markets yesterday. Trading was light.

Western Oils edged 0.93 to 211.55. Base Metals 0.76 to 86.80. Papers 0.70 to 123.75. Industrials 0.13 to 137.52 and Utilities 0.09 to 145.74, but Banks put 0.33 to 251.15 and Golds 1.31 to 244.74.

Among the largest declines, Northern Telecom fell \$C11 to \$C55. Fields Stores \$C1 to \$C58 and Comico \$C1 to \$C38.

Topping Industrial activities, Western Broadcasting "B" was unchanged at \$C101 on a single block of 35,400 shares.

PARIS—Prices retreated over a wide front in quiet trading, suggesting a certain lack of confidence among investors over Premier Raymond Barre's anti-inflation plan.

Declines predominated in all sectors, although there was some resistance in Stores and Metals.

Biggest losers of the day were UCB, Parquet, Bercy, Borel, Presse, de la Cite, DBA, Marine-Wendel, Primagaz, Roussel-Uclaf and Poelain, which surrendered Frs.150 to 175.

Among the new gainers were Pechelberg, CFF, CFAO, Legrand, Chiers, and BP, which put up Frs.440 to 75.10.

BRUSSELS—Easier in calm trading, with most domestic and foreign issues continuing Friday's downward trend.

Power Utilities Asturienne, DM1.30 to DM59.50, while in

Hoboken, Wagons-Lits, Gervert and UCB fell Sidro and Tobacco rose. Petrofina rose B.Fr.15 to 4.615.

AMSTERDAM—Shares again fell generally, with Royal Dutch—up 20 cents at Fls.123.50—sole, small gain in Dutch International.

Glessen, YMF, Menabe, OCE and major Banks led the decline elsewhere, but RAL, KLM and Ahold made gains against the trend.

SWITZERLAND—Financials mainly edged lower, led by Juvena Bearer. Gains and losses were about equal in Insurance.

Leading Industrials were also mixed with Sandoz rising Sw.Frs.15 to 5,290, while Ciba-Geigy eased Sw.Frs.10 to 1,580 in Chemicals. Banks were higher.

MILAN—Easier in quiet trading. In leading Industrials Fiat, Montedison, and Sella Viscosa all lost ground.

Mediobanca lost L210 to L72.30 in Banks and Generali L170 to L40.50 in Insurance.

GERMANY—Prices closed a little lower. The Commerzbank index eased 1.4 to 748.2.

Motors and Electricals were particularly hard hit. BMW lost DM32 to DM220.50 and Daimler DM150 to DM95.00. Even VW, which has resisted recent downturns, gave up 30 pfennigs to DM140.70.

Elsewhere Siemens was down DM150 to DM179.50 and AGF DM130 to DM59.50, while in

weaker Banks losses averaged about DM1 against the majors.

In steady Chemicals Hoechst moved up 30 pfennigs to DM143.30 and Bayer 40 pfennigs to DM132.50.

OSLO—Insurance and Shipping quiet. Banks mixed, Industrials slightly easier.

VIENNA—Quietly steady. Steyr-Daimler-Puch rose 5s to 133 but Union Rangosellschaft edged lower.

COPENHAGEN—Mixed in quiet dealings.

HONG KONG—Lower in dull trading. Turnover was very low as buyers held back in the absence of incentives.

Bank of China Bank fell 10 cents to HK\$19.20 and Jardine Matheson 10 cents to \$19.00, but Hutchison, Swire Pacific and Wheelock Marden recouped early losses to close steady at HK\$33.35, HK\$34.00, and HK\$24.00 respectively.

AUSTRALIA—Leading Mines and Industrials fell under sustained selling pressure.

BHP fell to \$A7.26 before recovering to close at \$A7.40 for a net loss of 1 cent. While its Rights lost 4 cents to \$A3.42 after touching \$A2.35.

CSR also closed off the bottom at 3 cents, down from \$A3.25. Myers dropped 3 cents to \$A2.33 and Anst. Guarantee 5 cents to \$A1.75.

Among Mines, Pancontinental lost 30 cents to \$A11.40. Queensland 10 cents to \$A2.30. Bongaillie 8 cents to \$A1.25 and Peko-Wallend 10 cents to \$A3.50.

TOKYO—Slightly lower in light trading with investors waiting in the shadow of the election.

Volume was 100m. shares (150m.). Many stocks went ex-rights and ex-dividend, but losses were offset following the ruling Liberal Democratic Party's victory in the two Upper House elections.

The buying, however, was not sustained.

Fujitsu, Sony and some other Electric goods ground, although Nippon Electric was firm and Matsushita Electric Industrial, Honda and some other leading issues moved higher.

JOHANNESBURG—Golds tended easier on generally lower overseas indications and month-end technical factors.

Financial Minings were slightly easier. De Beers Deferred moved off the bottom to R5.55 for a net loss after a 10-cent advance.

Dead and easying to R5.55 earlier. Coppers eased, but Platinum was marginally firmer with Lydenburg 3 cents up at R14.5.

Industrial stocks were slightly more active. Rhodanese stocks tending easier.

GERMANY \*  
Sept. 27  
Price + or - Div. Yld. %

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I. G.	89.5	-1.5	1.0	1.1
Adi. J. G.	89.5	-1.5	1.0	1.1

## CANADA

Stock	Price	+ or -	Div.	Yld. %
Alcan	21.15	-0.15	1.0	4.7
Bell	11.15	-0.15	1.0	8.9
Imperial	11.15	-0.15	1.0	8.9
Manitoba	11.15	-0.15	1.0	8.9
Noranda	11.15	-0.15	1.0	8.9
Papier	11.15	-0.15	1.0	8.9
Pembina	11.15	-0.15	1.0	8.9
Petro-Canada	11.15	-0.15	1.0	8.9
Pineau	11.15	-0.15	1.0	8.9
Porter	11.15	-0.15	1.0	8.9

## PARIS

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I. G.	89.5	-1.5	1.0	1.1
Adi. J. G.	89.5	-1.5	1.0	1.1

## AMSTERDAM

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I. G.	89.5	-1.5	1.0	1.1
Adi. J. G.	89.5	-1.5	1.0	1.1

## COPENHAGEN

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I. G.	89.5	-1.5	1.0	1.1
Adi. J. G.	89.5	-1.5	1.0	1.1

## VIENNA

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I. G.	89.5	-1.5	1.0	1.1
Adi. J. G.	89.5	-1.5	1.0	1.1

## OSLO

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I. G.	89.5	-1.5	1.0	1.1
Adi. J. G.	89.5	-1.5	1.0	1.1

## STOCKHOLM

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
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Adi. H. G.	89.5	-1.5	1.0	1.1
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Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I. G.	89.5	-1.5	1.0	1.1
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## OSLO

Stock	Price	+ or -	Div.	Yld. %
Adi. A. G.	89.5	-1.5	1.0	1.1
Adi. B. G.	89.5	-1.5	1.0	1.1
Adi. C. G.	89.5	-1.5	1.0	1.1
Adi. D. G.	89.5	-1.5	1.0	1.1
Adi. E. G.	89.5	-1.5	1.0	1.1
Adi. F. G.	89.5	-1.5	1.0	1.1
Adi. G. G.	89.5	-1.5	1.0	1.1
Adi. H. G.	89.5	-1.5	1.0	1.1
Adi. I				















## FT SHARE INFORMATION SERVICE

DRIVERS  
JONASDRIVERS JONAS  
Chartered Surveyors  
London - Aberdeen - Milan

## BRITISH FUNDS

1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583</
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<b>INDUSTRIALS—Continued</b>						<b>INSURANCE</b>
<b>Ticker</b>	<b>Sym.</b>	<b>or Div</b>	<b>Yld</b>	<b>P/E</b>	<b>Price</b>	<b>Div</b>
Amalgamated	AMAL		7 1/8	10	19 1/2	.40
Armco Steel Corp.	AC		7 1/8	10	19 1/2	.40
Bethlehem Steel Corp.	BSC		7 1/8	10	19 1/2	.40
Carnegie-Illinois Steel Corp.	CISC		7 1/8	10	19 1/2	.40
Duckworth Steel Corp.	DUK		7 1/8	10	19 1/2	.40
Inland Steel Corp.	IS		7 1/8	10	19 1/2	.40
Louisiana Steel Corp.	LSC		7 1/8	10	19 1/2	.40
National Steel Corp.	NSC		7 1/8	10	19 1/2	.40
Republic Steel Corp.	RSC		7 1/8	10	19 1/2	.40
Steel Dynamics Inc.	SDI		7 1/8	10	19 1/2	.40
U.S. Steel Corp.	USS		7 1/8	10	19 1/2	.40
Wabash Steel Corp.	WSC		7 1/8	10	19 1/2	.40
Youngstown Sheet & Tube Co.	YSCT		7 1/8	10	19 1/2	.40
Zimmerman Steel Corp.	ZSC		7 1/8	10	19 1/2	.40
American Insurance Co.	AIC		7 1/8	10	19 1/2	.40
Continental Insurance Co.	CIC		7 1/8	10	19 1/2	.40
Fidelity Insurance Co.	FIC		7 1/8	10	19 1/2	.40
General Insurance Co.	GIC		7 1/8	10	19 1/2	.40
Industrial Insurance Co.	IIC		7 1/8	10	19 1/2	.40
Mutual Insurance Co.	MIC		7 1/8	10	19 1/2	.40
National Insurance Co.	NIC		7 1/8	10	19 1/2	.40
Rockwell Insurance Co.	RIC		7 1/8	10	19 1/2	.40
Seaford Insurance Co.	SIC		7 1/8	10	19 1/2	.40
Union Insurance Co.	UIC		7 1/8	10	19 1/2	.40
Western Insurance Co.	WIC		7 1/8	10	19 1/2	.40

W	Stock	Price	-	Net	Chr	Grs	P/E	1976		Stock	Price
								High	Low		
1	Herman T & J	9 1/2		10.16	0	2.61	0				

[illegible]

## PROPERTY—Continued

Div	Vol	Ctr	YTD	P/E	1976	Stock	Price	Adj	Div
			Gr's		High Low			-	Net

[illegible]

**TRUSTS—Continued**

Tid Gr's	P/E	1976		Stock	Price	- or +	Div Net
		High	Low				

[illegible]

## TRUSTS—Continue


Cvt	Gr's	FE	1976		Stock	Price	and	N
			High	Low				

[illegible]

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Car	Y7d	6/8	PE
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SOUTH AFRICA									
TRUSTS AND BANKING									
MINES—Continued									
FAR WEST RAND									
	High	Low	Stock	Prs	%	Div	Yr	Div	Yr
10	10.8	10.8	10	10.8	10.8	10.8	10.8	10.8	10.8
11	11.0	11.0	11	11.0	11.0	11.0	11.0	11.0	11.0
12	12.0	12.0	12	12.0	12.0	12.0	12.0	12.0	12.0
13	13.0	13.0	13	13.0	13.0	13.0	13.0	13.0	13.0
14	14.0	14.0	14	14.0	14.0	14.0	14.0	14.0	14.0
15	15.0	15.0	15	15.0	15.0	15.0	15.0	15.0	15.0
16	16.0	16.0	16	16.0	16.0	16.0	16.0	16.0	16.0
17	17.0	17.0	17	17.0	17.0	17.0	17.0	17.0	17.0
18	18.0	18.0	18	18.0	18.0	18.0	18.0	18.0	18.0
19	19.0	19.0	19	19.0	19.0	19.0	19.0	19.0	19.0
20	20.0	20.0	20	20.0	20.0	20.0	20.0	20.0	20.0
21	21.0	21.0	21	21.0	21.0	21.0	21.0	21.0	21.0
22	22.0	22.0	22	22.0	22.0	22.0	22.0	22.0	22.0
23	23.0	23.0	23	23.0	23.0	23.0	23.0	23.0	23.0
24	24.0	24.0	24	24.0	24.0	24.0	24.0	24.0	24.0
25	25.0	25.0	25	25.0	25.0	25.0	25.0	25.0	25.0
26	26.0	26.0	26	26.0	26.0	26.0	26.0	26.0	26.0
27	27.0	27.0	27	27.0	27.0	27.0	27.0	27.0	27.0
28	28.0	28.0	28	28.0	28.0	28.0	28.0	28.0	28.0
29	29.0	29.0	29	29.0	29.0	29.0	29.0	29.0	29.0
30	30.0	30.0	30	30.0	30.0	30.0	30.0	30.0	30.0
31	31.0	31.0	31	31.0	31.0	31.0	31.0	31.0	31.0
32	32.0	32.0	32	32.0	32.0	32.0	32.0	32.0	32.0
33	33.0	33.0	33	33.0	33.0	33.0	33.0	33.0	33.0
34	34.0	34.0	34	34.0	34.0	34.0	34.0	34.0	34.0
35	35.0	35.0	35	35.0	35.0	35.0	35.0	35.0	35.0
36	36.0	36.0	36	36.0	36.0	36.0	36.0	36.0	36.0
37	37.0	37.0	37	37.0	37.0	37.0	37.0	37.0	37.0
38	38.0	38.0	38	38.0	38.0	38.0	38.0	38.0	38.0
39	39.0	39.0	39	39.0	39.0	39.0	39.0	39.0	39.0
40	40.0	40.0	40	40.0	40.0	40.0	40.0	40.0	40.0
41	41.0	41.0	41	41.0	41.0	41.0	41.0	41.0	41.0
42	42.0	42.0	42	42.0	42.0	42.0	42.0	42.0	42.0
43	43.0	43.0	43	43.0	43.0	43.0	43.0	43.0	43.0
44	44.0	44.0	44	44.0	44.0	44.0	44.0	44.0	44.0
45	45.0	45.0	45	45.0	45.0	45.0	45.0	45.0	45.0
46	46.0	46.0	46	46.0	46.0	46.0	46.0	46.0	46.0
47	47.0	47.0	47	47.0	47.0	47.0	47.0	47.0	47.0
48	48.0	48.0	48	48.0	48.0	48.0	48.0	48.0	48.0
49	49.0	49.0	49	49.0	49.0	49.0	49.0	49.0	49.0
50	50.0	50.0	50	50.0	50.0	50.0	50.0	50.0	50.0
51	51.0	51.0	51	51.0	51.0	51.0	51.0	51.0	51.0
52	52.0	52.0	52	52.0	52.0	52.0	52.0	52.0	52.0
53	53.0	53.0	53	53.0	53.0	53.0	53.0	53.0	53.0
54	54.0	54.0	54	54.0	54.0	54.0	54.0	54.0	54.0
55	55.0	55.0	55	55.0	55.0	55.0	55.0	55.0	55.0
56	56.0	56.0	56	56.0	56.0	56.0	56.0	56.0	56.0
57	57.0	57.0	57	57.0	57.0	57.0	57.0	57.0	57.0
58	58.0	58.0	58	58.0	58.0	58.0	58.0	58.0	58.0
59	59.0	59.0	59	59.0	59.0	59.0	59.0	59.0	59.0
60	60.0	60.0	60	60.0	60.0	60.0	60.0	60.0	60.0
61	61.0	61.0	61	61.0	61.0	61.0	61.0	61.0	61.0
62	62.0	62.0	62	62.0	62.0	62.0	62.0	62.0	62.0
63	63.0	63.0	63	63.0	63.0	63.0	63.0	63.0	63.0
64	64.0	64.0	64	64.0	64.0	64.0	64.0	64.0	64.0
65	65.0	65.0	65	65.0	65.0	65.0	65.0	65.0	65.0
66	66.0	66.0	66	66.0	66.0	66.0	66.0	66.0	66.0
67	67.0	67.0	67	67.0	67.0	67.0	67.0	67.0	67.0
68	68.0	68.0	68	68.0	68.0	68.0	68.0	68.0	68.0
69	69.0	69.0	69	69.0	69.0	69.0	69.0	69.0	69.0
70	70.0	70.0	70	70.0	70.0	70.0	70.0	70.0	70.0
71	71.0	71.0	71	71.0	71.0	71.0	71.0	71.0	71.0
72	72.0	72.0	72	72.0	72.0	72.0	72.0	72.0	72.0
73	73.0	73.0	73	73.0	73.0	73.0	73.0	73.0	73.0
74	74.0	74.0	74	74.0	74.0	74.0	74.0	74.0	74.0
75	75.0	75.0	75	75.0	75.0	75.0	75.0	75.0	75.0
76	76.0	76.0	76	76.0	76.0	76.0	76.0	76.0	76.0
77	77.0	77.0	77	77.0	77.0	77.0	77.0	77.0	77.0
78	78.0	78.0	78	78.0	78.0	78.0	78.0	78.0	78.0
79	79.0	79.0	79	79.0	79.0	79.0	79.0	79.0	79.0
80	80.0	80.0	80	80.0	80.0	80.0	80.0	80.0	80.0
81	81.0	81.0	81	81.0	81.0	81.0	81.0	81.0	81.0
82	82.0	82.0	82	82.0	82.0	82.0	82.0	82.0	82.0
83	83.0	83.0	83	83.0	83.0	83.0	83.0	83.0	83.0
84	84.0	84.0	84	84.0	84.0	84.0	84.0	84.0	84.0
85	85.0	85.0	85	85.0	85.0	85.0	85.0	85.0	85.0
86	86.0	86.0	86	86.0	86.0	86.0	86.0	86.0	86.0
87	87.0	87.0	87	87.0	87.0	87.0	87.0	87.0	87.0
88	88.0	88.0	88	88.0	88.0	88.0	88.0	88.0	88.0
89	89.0	89.0	89	89.0	89.0	89.0	89.0	89.0	89.0
90	90.0	90.0	90	90.0	90.0	90.0	90.0	90.0	90.0
91	91.0	91.0	91	91.0	91.0	91.0	91.0	91.0	91.0
92	92.0	92.0	92	92.0	92.0	92.0	92.0	92.0	92.0
93	93.0	93.0	93	93.0	93.0	93.0	93.0	93.0	93.0
94	94.0	94.0	94	94.0	94.0	94.0	94.0	94.0	94.0
95	95.0	95.0	95	95.0	95.0	95.0	95.0	95.0	95.0
96	96.0	96.0	96	96.0	96.0	96.0	96.0	96.0	96.0
97	97.0	97.0	97	97.0	97.0	97.0	97.0	97.0	97.0
98	98.0	98.0	98	98.0	98.0	98.0	98.0	98.0	98.0
99	99.0	99.0	99	99.0	99.0	99.0	99.0	99.0	99.0
100	100.0	100.0	100	100.0	100.0	100.0	100.0	100.0	100.0
101	101.0	101.0	101	101.0	101.0	101.0	101.0	101.0	101.0
102	102.0	102.0	102	102.0	102.0	102.0	102.0	102.0	102.0
103	103.0	103.0	103	103.0	103.0	103.0	103.0	103.0	103.0
104	104.0	104.0	104	104.0	104.0	104.0	104.0	104.0	104.0
105	105.0	105.0	105	105.0	105.0	105.0	105.0	105.0	105.0
106	106.0	106.0	106	106.0	106.0	106.0	106.0	106.0	106.0
107	107.0	107.0	107	107.0	107.0	107.0	107.0	107.0	107.0
108	108.0	108.0	108	108.0	108.0	108.0	108.0	108.0	108.0
109	109.0	109.0	109	109.0	109.0	109.0	109.0	109.0	109.0
110	110.0	110.0	110	110.0	110.0	110.0	110.0	110.0	110.0
111	111.0	111.0	111	111.0	111.0	111.0	111.0	111.0	111.0
112	112.0	112.0	112	112.0	112.0	112.0	112.0	112.0	112.0
113	113.0	113.0	113	113.0	113.0	113.0	113.0	113.0	113.0
114	114.0	114.0	114	114.0	114.0	114.0	114.0	114.0	114.0
115	115.0	115.0	115	115.0	115.0	115.0	115.0	115.0	115.0
116	116.0	116.0	116	116.0	116.0	116.0	116.0	116.0	116.0
117	117.0	117.0	117	117.0	117.0	117.0	117.0	117.0	117.0
118	118.0	118.0	118	118.0	118.0	118.0	118.0	118.0	118.0
119	119.0	119.0	119	119.0	119.0	119.0	119.0	119.0	119.0
120	120.0	120.0	120	120.0	120.0	120.0	120.0	120.0	120.0
121	121.0	121.0	121	121.0	121.0	121.0	121.0	121.0	121.0
122	122.0	122.0	122	122.0	122.0	122.0	122.0	122.0	122.0
123	123.0	123.0	123	123.0	123.0	123.0	123.0	123.0	123.0
124	124.0	124.0	124	124.0	124.0	124.0	124.0	124.0	124.0
125	125.0	125.0	125	125.0	125.0	125.0	125.0	125.0	125.0
126	126.0	126.0	126	126.0	126.0	126.0	126.0	126.0	126.0
127	127.0	127.0	127	127.0	127.0	127.0	127.0	127.0	127.0
128	128.0	128.0	128	128.0	128.0	128.0	128.0	128.0	128.0
129	129.0	129.0	129	129.0	129.0	129.0	129.0	129.0	129.0
130	130.0	130.0	130	130.0	130.0	130.0	130.0	130.0	130.0
131	131.0	131.0	131	131.0	131.0	131.0	131.0	131.0	131.0
132	132.0	132.0	132	132.0	132.0	132.0	132.0	132.0	132.0
133	133.0	133.0	133	133.0	133.0	133.0	133.0	133.0	133.0
134	134.0	134.0	134	134.0	134.0	134.0	134.0	134.0	134.0
135	135.0	135.0	135	135.0	135.0	135.0	135.0	135.0	135.0
136	136.0	136.0	136	136.0	136.0	136.0	136.0	136.0	136.0
137	137.0	137.0	137	137.0	137.0	137.0	137.0	137.0	137.0
138	138.0	138.0	138	138.0	138.0	138.0	138.0	138.0	138.0
139	139.0	139.0	139	139.0	139.0	139.0	139.0	139.0	139.0
140	140.0	140.0	140	140.0	140.0	140.0	140.0	140.0	140.0
141	141.0								



**YASUDA**  
TRUST AND BANKING

Group Office: 10F, 1-2-2, Nishi-Shinjuku  
Shinjuku-Ku, Tokyo 163-8601, Japan  
Tel: 03-3359-5721  
Telex: 3301-1100  
Fax: 03-3359-5722

**MINES—Continued**

**FAR WEST RAND**

[illegible]

oré

997m/-75

[illegible]

## FINANCE

1m 1'00" 500	418	-7
3m 1'00" 100	240	
5m 1'00" 50	120	

[illegible]

**GOLD AND PLATINUM**

1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386</
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128	850	De Supp 10	975	..	..	..	13
128	69	Politenh 12	..	..	..	15	..
123	107	Bus Plan 10	116	-1	..	..	..

CENTRAL ASIAN							
165	53	Corruption 10	89	-13	..	21	..
130	68	Failed R2 50	100	-30	..	..	..
25	9	Phon n Corp 10	10	5	0.56	5.0	4
195	120	Rosa Cons 10	155	+15	..	..	..
178	140	Paragarys Corp ...	170	..	Q1.0	0.8	5
170	10	De Plan 10	10	..	..	20.210	..
44	25	Waukie Co. R2	53	-6	07.0	..	10.0
56	24	De Plan 10	26	..	..	..	..

**Abstract**

7/24/68 10/1/68

132	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587
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30	184	Chlorococcid	19 1/2		1.0
50	186	Chlorococcid	6 1/2		1.0
85	245	Borneo Moss: 170p	10		1.0
95	245	Borneo Moss: 170p	10		1.0
100	153	B.T.	3 1/2	55	2.1
110	77	Schubert Moss	9		5.2
120	110	Tristan Moss	13 1/2		
130	221	Tristan Moss	13 1/2	71.05	4.2
140	84	Borneo Moss: 170p	150		

based on "all" distribution. "All" distribution yields, assuming an

for value of declared distribution nomination other than 401(a)

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# FINANCIAL TIMES

Tuesday September 28 1976

**Weatherall Green & Smith**

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London Leeds Paris New York

## Russian accused of fishing inside limit

BY STUART ALEXANDER

THE SKIPPER of the Russian fishing ship *Dzukiya* is to be prosecuted for allegedly fishing inside the 12-mile limit off the coast of Scilly. A special court is to be set up at Plymouth. The case should be heard in the next day or two.

If the skipper is found guilty he faces fines of up to £500 and confiscation of his catch and gear. He will be given legal advice, time to prepare his case, and the use of an interpreter.

With him at Plymouth is the commandant of the trawler fleet, Mr. Victor Zakharov, who has been having talks with the district inspector of fisheries, Mr. Bill Williams.

### Mackerel

There are about 35 Eastern Bloc trawlers in the English Channel and another 35 in the Bristol Channel, all concentrating on the mackerel shoals. There is a further fleet in the North Sea searching for herring, although the British fleet has already stopped fishing for herring as stocks are seriously depleted.

The 2,300-ton Russian *Dzukiya* was challenged by the British minesweeper *Soberton* on Saturday night and tried to escape. The minesweeper gave chase and eventually put an armed boarding party on the Russian ship to negotiate with the skipper about returning to a British port. The talks were lengthy, and it was during this time that Mr. Zakharov joined the *Dzukiya*, whose registered number is LVO 878.

The minesweeper, meanwhile, had called for the assistance of the frigate *Andromeda*, which was one of the navy vessels used to protect the British trawler fleet off Iceland. However, the Russian skipper eventually agreed to put into Plymouth escorted by *Soberton*, and arrived there yesterday morning. The trawler is large by British standards.

In this country the biggest are about 1,500 tons. The Russians sometimes incorporate a canning line on board as well as freezer facilities. The fleets are accompanied by ancillary vessels, and sometimes by a mother ship of up to 10,000 tons.

Although cases of fishing inside the limits are not uncommon, and are not confined to Eastern Bloc fleets, it is unusual for a skipper to disobey Navy instructions. In this case the skipper decided to bring in the chief of the whole Atlantic fleet before agreeing with Lient. Mike Parker, who led the three-man boarding party and the negotiations, of a return to port.

The arrest comes at a time when the British fishing industry as a whole and the West Country and North Sea fleets in particular, have expressed grave fears that stocks are being seriously overfished.

They point to the St. George's Bank haddock grounds off the U.S. which were fished to exhaustion in just two years at the end of the 1960s by a large and determined Russian fleet.

**Threat**

Now the supply of North Sea herring is similarly threatened and Cornish fishermen say that mackerel, too, are being seriously depleted. The Cornishmen fear they may be put out of business.

The last time a Russian trawler was convicted of an offence in British waters was in 1975. On both those occasions the skipper faced the less serious technical charge of improperly stowing gear, the charge usually brought when the matter is quietly disposed of.

The Ministry of Agriculture last night emphasised that there was nothing special about this case and that the Russian was being treated like any other trawler caught fishing inside the limit.

## Tories ally ship Bill fears

By Kevin Done and Peter Hennessy

GOVERNMENT FEARS that the controversial issue of hybridity will be raised again today when the House of Lords begins the second reading of the Bill to nationalise the shipbuilding and aircraft industries were allayed by the Conservative Opposition last night.

Senior Tory peers made it clear that they would not reopen the issue, which brought uproar to the House of Commons in June, because they argue that it has been a long-standing convention that the House of Lords does not challenge a ruling of the Speaker of the Commons.

To claim the Bill was hybrid would set a dangerous precedent and risk a confrontation between the two Houses of Parliament which could end with the abolition of the hereditary element, they believe.

Lord Byers, Leader of the Liberal peers, said yesterday that his party was prepared to vote against the shipbuilding and aircraft Bill on its third reading. Though the Conservative leadership in the Lords will refrain today from reopening the hybridity issue, some Tory backbenchers are expected to join the Liberals in raising it. The Government will be obliged to answer their arguments.

But Ministers will be secure in the knowledge that the Clerks of the House of Lords, who are responsible for sending hybrid Bills to a panel of assessors, will not recommend overturning the Speaker's ruling.

The Government's unease has been occasioned by a meeting held last week between Mr. Leslie Hunkley, Industry Under-Secretary, and Mr. Christopher Bailey, chairman of Bristol Channel Shipbuilders, who has been one of the leaders in the fight to kill the nationalisation Bill.

Mr. Gerald Kaufman, Industry Minister, disclosed yesterday that the meeting had taken place and said that Mr. Bailey had offered to make a "backstage deal" which in the Government's view would amount to a rejection of decisions taken by the Commons and "would be an affront to the House."

### Amendment

He said that at last week's meeting, Mr. Bailey claimed that he had discovered elements of hybridity in the Bill. Mr. Bailey offered an amendment to Mr. Hunkley which would "remove from the Bill Bristol Channel Shipbuilders together with two other ship repair companies and which, incidentally, he claimed would remove the alleged hybridity," Mr. Kaufman said.

Mr. Bailey refused to disclose the points in the Bill where the alleged hybridity occurred. He would not attempt actually to amend the Bill but said that it did not accept the amendment. The Bill would be challenged in the Lords as being hybrid and gave the Government until yesterday to comply.

The question of the Bill's hybridity—the issue of whether the Bill treats private interests in different ways to the detriment of one party—was debated furiously in the Commons in May, June and July. Government amendments to clarify the questioned areas of the Bill were passed on July 27.

Mr. Kaufman declared yesterday that the Government rejected any such covert deals as Mr. Bailey had offered, and said he was confident that no more areas of hybridity existed.

Continued from Page 1

## Victory for Left

Mr. Benn, with Mr. Callaghan beside him on the platform, walked a tightrope by advocating socialist policies far in excess of anything the Prime Minister envisages, but he never once stepped outside the bounds set by Labour's Programme 1976, the policy document which is before the conference for approval.

Although Mr. Benn was careful not to contravene the doctrine of Cabinet responsibility, he made a point of demanding the right to be critical of party policy.

"I believe we all agree that criticism must not go to the point of endangering the life of the Government but it must not be used as an excuse for silencing those who wish to criticise."

In a move to-day which could have considerable long-term significance for the party, conference, with the backing of the national executive, will set up a working party on procedures for the election of a party leader. It will be charged in particular with considering "the appropriate means of widening the choice of a leader" and will report in time for a decision to be taken at next year's conference.

Labour leaders accept that it is inconceivable that after consulting all aspects of party opinion the working group will end up by recommending the existing position, that only Labour MPs should elect the leader.

## Australian company bids £28m. for Mather & Platt

BY TERRY WILKINSON, CITY STAFF

MATHER & PLATT, the Manchester-based fire protection and engineering company, has received a £28m. takeover offer from the leading Australian fire protection company, Wormald International. The Board of MP is recommending shareholders to accept the offer.

Wormald International, which already holds 11 per cent of Mather and Platt, is offering 120p in cash for each ordinary share and 50p for each cumulative preference share. The Ordinary shares represent an all-time peak for Mather shares, the previous best having been 115p in 1970, and values the company at £31.2m.

Wormald, which in its last financial year made pre-tax profits of \$8.9m. (£8.9m.), is capitalised on the Australian stock market at \$57m. (£11m.). News of the bid sent Mather shares, which have been as low as 47p this year, soaring 42p to 109p.

In a joint statement yesterday the companies said: "It has become progressively clearer over the years that both companies could have much to gain by promoting the sale of Wormald's equipment through Mather and Platt's world-wide organisation. Mather and Platt's products could correspondingly be marketed in certain territories by Wormald."

Mather is not making a formal forecast, but says that

pre-tax profits for the second half of 1976 should "substantially exceed" the £2.53m. made in the first half. In 1975 the group made pre-tax profits of £2.7m.

The proposed merger, which Mr. Harry Smith, managing director of Mather, yesterday described as having a "substantial industrial logic," stems from the different paths taken by the two groups in fire protection.

Although both companies are dominant in their home markets, Mather has chosen to diversify geographically on a relatively narrow product base, while Wormald has developed a range of sophisticated detection and protection systems and concentrating on the Australian market, which accounts for 80 per cent of profits. Overseas sales at Mather accounted for more than 10 per cent of group sales of £10m. in 1975, of which half came from fire engineering.

The cash offer—a share exchange scheme having been considered impractical because of U.K. Exchange Control regulations—will be financed from four sources. A £57m. placing has been underwritten in Australia. Conditional on the offer being accepted, a further £51m. will be raised by a rights issue and the remaining £51.7m. by a syndicated medium-term Eurocurrency loan and a medium-term bank facility in Australia.

News Analysis Page 7

## Leyland Cars shuts Triumph plant

BY PETER CARTWRIGHT

LEYLAND CARS yesterday closed the profitable Triumph plant in Coventry and laid off 2,300 workers. This was the instant reaction to a unanimous decision by 80 Silecock and Colling car delivery drivers to reject a peace formula designed to end their five-week strike.

Output of Leyland's prestige Jaguar is also threatened. Chrysler can go on producing the new Alpine from its nearby Ryton plant for some weeks because production is only just beginning to build up.

The car delivery drivers ferry cars to holding depots, docks and other destinations. Triumph has been the first to run out of parking space for Delmonics, Spitfires and Stags coming off the assembly lines at about 400 a day.

The strike, over the redundancy of 17 colleagues because Silecock and Colling lost a contract to deliver 1,000 Fords a week, is supported by all three local concerns employing more than 300 drivers.

While Chrysler is the only local car producer with which Silecock has an exclusive contract, Triumph has been caught up in the widening of the strike, and deliveries of Jaguars are likewise halted.

### Threat

The strike could be extended to all 800 Silecock drivers at a dozen countrywide depots handling Fords, Vauxhalls and several imported makes, including Datsun, Opel and Peugeot. Support on this scale was promised at a recent meeting of stewards, who will be gathering

in Coventry again, probably to-morrow.

Under a local agreement between the Car Delivery Agents Association and the Transport and General Workers' Union, a transfer of contract, as in this case, is accompanied by a movement of drivers.

When another local company, Toleman James, won the Ford contract from Silecock it offered to employ the 17 redundant Silecock drivers, but not at Coventry—as far away as Hull. Local employment was insisted on.

A 13-hour meeting between Silecock management and union representatives with the Advisory, Conciliation and Arbitration Service thrashed out a formula under which Silecock would retain the 17 and share out work.

That, yesterday's meeting of drivers was told, would involve Silecock standing down each week, and the formula was rejected outright. The stewards are insisting that redundancy notices to all 17 must be withdrawn in view of extra work coming in from Chrysler.

### Linked

A linked issue, employment of extra drivers by Toleman James, will be re-opened to-morrow between union and agents' association.

There was better news for Leyland when workers at Rothery Owen's Darlington factory supplying axle casings for the new Rover 3500, agreed to lift sanctions and accept a pay offer.

Output of Land Rovers and Range Rovers, halted by the dispute a fortnight ago, will be resumed to-day, with the recall of 1,130.

## Anti-dumping probe into suits, sandals

BY KEVIN DONE, INDUSTRIAL STAFF

ALLEGATIONS that East European countries are dumping duty-free men's and boys' suits and men's leather sandals in Britain are to be investigated by the Department of Trade.

But the announcement of the inquiry has not satisfied the hard-pressed textiles industry. It is angry because the Government has refused to impose a temporary duty on the suits imports during the investigation.

The DoT said yesterday that it would fully investigate the alleged dumping of men's and boys' suits from Bulgaria, Czechoslovakia, East Germany and East Benin, Hungary, Poland and Romania, and men's leather sandals from Czechoslovakia and Poland.

Quota restraints, either mandatory or voluntary, already operate against the suits from the Comecon countries. The DoT investigation, which is expected to last several months, will concentrate on the pricing of the suits and will try to establish whether any dumping is taking place and whether such dumping is causing substantial injury to the U.K. textile and footwear industries.

If the charges are proved it could lead to the Government imposing an anti-dumping duty on the goods to raise the prices to prevailing U.K. levels.

The Clothing Manufacturers' Federation accused the Government of failing miserably to take all the steps open to it. Its

failure to impose a temporary duty "will only encourage the Comecon countries to speed up their exports to this country," said the federation. The men's clothing industry would continue to suffer severely.

During the first seven months of this year 380,395 suits came into Britain from Comecon countries at an average landed price of £11.50. Romania exported 144,231 of these suits at an average landed price of £10.70, said the federation.

The equivalent factory-gate prices of suits produced in Britain are about double the Comecon landed prices.

Many textile companies are now working short time and more than 8,000 jobs have been lost in the last 12 months. The industry is at its lowest point of profitability for more than 30 years, and last year imports of suits from the Comecon countries totalled 732,000.

British-made sandals now hold only 10 per cent of the U.K. market. The combined Polish and Czech share of the market, 1.5m. pairs, has risen from 80 per cent to 89 per cent in recent years.

This new anti-dumping investigation is seen by the DoT as further evidence that it is prepared to take selective action, while resisting calls for general import controls.

Countervailing duties have already been imposed on imports of men's leather shoes from Brazil and women's raincoats take all the steps open to it. Its

## BNOC looks to U.S. for capital

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THE BRITISH National Oil Corporation is looking into the possibility of raising development capital in the U.S.

Dr. Dickson Mahon, Minister for Energy, will take the opportunity to sound out some American financial institutions during his current visit to the U.S., ostensibly to discuss with them the U.K. Government's attitude to offshore development and oil taxation.

The corporation can draw money from the National Oil Account, which receives royalties and licence payments, and can also borrow up to £800m. That could be raised to £900m. by a simple Commons resolution.

A 51 per cent interest in all licences will be taken by the corporation when the forthcoming fifth-round awards are made. Last week, in an abrupt change

in policy, it was announced that it would carry its full share of the development costs as they occur.

So it could face hundreds of millions of pounds of development costs in the 1980s. In spite of the income from its share of various existing fields, that must lead to the corporation's having to borrow heavily both at home and abroad.

Loans could be secured on a Treasury guarantee or on the corporation's own credit.

Whitehall sources were insisting last night that Dr. Mahon would not attempt actually to set up loans while in the U.S. It was just a question of "testing the temperature," while he has the chance of meeting financial institutions, to find out if it might be a practical proposition for the corporation to borrow in the States.

## Conoco invites tenders for oil platform design

BY JAMES McDONALD

CONOCO North Sea has invited a number of companies to tender for the design of a steel production platform for its Murchison oilfield.

The company points out that this is the first go-ahead in North Sea oilfield development for over a year.

Contracts for fabrication of the platform and its facilities are expected to be awarded next year on completion of the design work. The earliest time for floating-out would be the summer of 1979, allowing production to start in 1980, Conoco said.

A Conoco spokesman last night could not reveal the potential reserves of the field nor the possible cost of the platform.

But he pointed out that recent costs of production platforms in the North Sea, with facilities had been about £100m.

The Department of Energy said last night: "To-day's announcement is good news for the country and for all sectors of industry involved in the develop-

ment of our offshore resources. It brings to 15 the number of oilfields declared commercial in the U.K. sector of the North Sea, and puts us in an even stronger position as an oil-producing nation."

The British National Oil Corporation is an equal partner in the group comprising the field, together with Gulf and Conoco.

The major portion of the Murchison field is in the U.K. sector of the North Sea, Block 21/19, but part of it overlaps into the Norwegian sector, Block 33/9, which is held by the Mobil-Statoil group.

Negotiations have still to be conducted on the extent of the Norwegian interest and unitisation of the field.

The Murchison field was discovered by the group, for which Conoco is the operator, in September last year, and was confirmed in January this year by delineation drilling.

It lies 120 miles north-east of the Shetland Islands and extends across the U.K.-Norwegian median line.

Continued from Page 1

## Sterling

porting the pound over a fortnight ago, sterling has now lost around 5 per cent against the dollar and over 61 per cent on average against other currencies. This movement could in turn add about 1 per cent to the cost of living over the next 12 months or so.

The fall in sterling is being decided in some commodity prices, pushing up the cost of "wastables" imported raw materials.

The impact yesterday was varied, with the main effects being seen in sharp price rises in markets such as cocoa and

coffee where prices were already on a strong upward trend.

Elsewhere, it was suggested the level of prices already accounted a further drop.

The fall in the pound brought calls from two Conservative MPs to recall Parliament. Mr. Peter Bottomley (Woolwich W.), said the labour conference should be cut short, while Mr. Anthony Nelson (Chichester) said in a telegram to the Prime Minister that it was essential for immediate action to be taken to restore foreign confidence.

THE LEX COLUMN

## Growth dries up at Fisons

Index fell 4.3 to 344.6

COMPOUND FERTILISERS—Production

PERCENTAGE CHANGES OVER PREVIOUS YEAR

1973 1974 1975 1976

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